DOCUMENT RESUME

ED 072 661 EM 010 782

TITLE	Cable Television Report and Suggested Ordinance.
INSTITUTION	League of California Cities, Sacramento.
PUB DATE	Sep 72
NOTE	82p.
AVAILABLE FROM	League of California Cities, 1108 "O" Street, Sacramento, California 95814 ($10.00)
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	*Cable Television; City Officials; Community Antennas; *Laws; *Legal Responsibility; Legislation; *Local Government; *Municipalities; Television
IDENTIFIERS	*California; CATV

ABSTRACT

Guidelines and suggested ordinances for cable television regulation by local governments are comprehensively discussed in this report. The emphasis is placed on franchising the cable operator. Seventeen legal aspects of franchising are reviewed, and an exemplary ordinance is presented. In addition, current statistics about cable franchising in California are given. The guide is intended for mayors, councilmen, chief administrative officers, and city attorneys. (MC)

League of California Cities

ED 072661

CABLE TELEVISION Report and Suggested Ordinance

EM 010784

ED 072661

CABLE TELEVISION

Report and Suggested Ordinance

U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
OFFICE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY

LEAGUE OF CALIFORNIA CITIES

☐ Sacramento 95814 • 1108 "O" Street • (916) 444-5790
☐ Berkeley 94705 • Hotel Claremont • (415) 843-3083
☐ Los Angeles 90017 • 702 Hilton Center • (213) 624-4934

PREFACE

As a result of major changes of both a regulatory and technical nature in the field of cable television, the League has prepared the attached Cable Television Report and Suggested Ordinance. This document incorporates the Federal Communications Commission's Cable Television Regulations which became effective on March 31, 1972. These rules will be applied immediately to new franchises. Moreover, by 1977 the FCC has announced that it intends to extend these regulations to cover existing cable television systems.

This report and its accompanying procedural ordinance should be examined thoroughly before cities grant a cable television franchise. However, it is equally important that cities with existing cable television systems review this document, especially in light of the FCC's announced intention to extend its recently promulgated regulations to existing franchises.

The report was prepared under the direction of an Ad Hoc Cable Television Committee comprised of the following city officials: Donn Black, Councilman, Lafayette; Richard Brown, City Manager, El Cerrito; Robert Davis, Assistant City Manager, Anaheim, John Dever, City Manager, Sunnyvale; John Flitner, City Attorney, Santa Rosa; Allen Grimes, City Attorney, Beverly Hills; Larry Pennell, Assistant City Manager, Fairfield; Marvin Ray, Deputy City Manager, Modesto; Robert W. Russell, General Manager, Department of Public Utilities, Los Angeles; Wayne Wedin, City Manager, Brea; John Witt, City Attorney, San Diego and Richard Young, Councilman, Rolling Hills Estates. The League is indebted to each member of the Committee for the considerable amount of time each devoted to this project.

John C. Houlihan, Special Projects Director, Institute for Local Self Government, served as Consultant to the Committee and drafted the report. The ordinances have been reviewed and approved by Carlyn Reid, the League's Staff Attorney, and the undersigned.

One copy of the Report and Suggested Ordinance is being sent to City Managers and City Clerks in non-manager cities. Please bring this document to the attention of the Mayor, Council and City Attorney. Additional copies can be obtained from the League's Sacramento Office for $10.00 plus tax.

Richard Carpenter
Executive Director
and General Counsel

September, 1972

FOREWORD

All Mayors, Councilmen, Chief Administrative Officers, and City Attorneys should read and become familiar with this report on cable television in California, and with the franchising procedure suggested by the League of California Cities, whether their cities have existing franchises, are considering renewal, or are contemplating cable television installation for the first time.

There is now an imperative need for this new franchising approach, especially in view of the new Federal Communications Commission regulations, and many variations from the League's 1965 suggested ordinance, disclosed by the report.

Concerned over unbridled, cutthroat competition for local franchises and noticing complaints, from other parts of the nation, about clandestine franchise awards, the Commission now requires cable operators, applying for Federal certification for retransmission of broadcast radio and television signals, to present local franchises which have been awarded only after public hearings involving due process and full and open disclosure.

Concerned, also, that cable development would be stifled by a growing tendency of local authorities to impose franchise fees in amounts "more for revenue than for regulatory purposes," the Commission will withhold certification where local fees exceed 3% of regular subscriber service revenues without a showing of special circumstances.

With these concerns, the League of California Cities, its Ad Hoc Cable Television Committee, and its Consultant, can only be in full agreement. This suggested new franchising procedure addresses both of these concerns.

It provides detailed steps, involving due process and public hearing, for cities to follow from the filing of an application for a franchise to the award, including special hearing procedures for rule and rate changes and for termination.

While this new franchise procedure accepts the Federal Communications Commission's new franchise fee limitation to 3% of revenues from regular subscribers for broadcast radio and television service, it does not accept any other interpretation of the new Federal rule which results in denying or impairing the full and exclusive exercise of the police power by California cities in granting franchises for qualified use of public streets. Accordingly, the suggested ordinance provides for granting a franchise, not only for use of public streets to retransmit broadcast radio and television signals, and cablecasting required by Federal rules, but for other uses of the system, viz., data transmission, pay television, fire and police alarm services, closed circuit program.....g, channel leasing and advertising.

Cities are cautioned, not only to comply with the new Federal rule limiting to 3% franchise fee payments based on regular subscriber revenues, but against imposing unreasonable and confiscatory franchise fees based on these other forms of revenue.

The League's Consultant acknowledges, especially, the assistance, advice and support of the Ad Hoc Television Committee, and the dedicated efforts of Carl Mukri and Gary Montrose, research assistants, and of Marjorie Perry, Mabel Bradway, and David Johnson, secretaries.

Berkeley, California

September, 1972

John C. Houlihan
Consultant to the
League of California Cities

TABLE OF CONTENTS

PREFACE i
FOREWORD ii

I. MODERN CABLE TELEVISION FRANCHISING FOR CALIFORNIA CITIES . . 1

Scope of the Report
Background
Franchising
Municipal Ownership
Public Access Funding
Blue-Sky Prospects
Federal Regulation
State Regulation
Pending California Legislation

II. AN ORDINANCE PROVIDING FOR THE GRANTING OF FRANCHISES FOR CABLE TELEVISION SYSTEMS 14

Section 1 – Definitions
Section 2 – Franchise to Install and Operate
Section 3 – Cable Television Service
Section 4 – Franchise Payments
Section 5 – Franchise Term: Duration and Termination
Section 6 – Applications for Franchise
Section 7 – Bonds: Indemnifications; Insurance
Section 8 – Acceptance of the Franchise
Section 9 – Limitations of Franchise
Section 10 – Rights Reserved to the City
Section 11 – Council to Adopt Rules and Regulations
Section 12 – Permits and Construction
Section 13 – Miscellaneous Provisions
Section 14 – Equal Opportunity Employment and Affirmative Action Plan
Section 15 – Violations
Section 16 – Severability
Section 17 – Effective Date

III. AN ORDINANCE GRANTING A FRANCHISE FOR A CABLE TELEVISION SYSTEM 37

APPENDIX A – ANALYSIS OF CATV SURVEY 39

APPENDIX B – CATV SYSTEMS AND OPERATORS IN CALIFORNIA 43

APPENDIX C – THE COST OF URBAN CABLE SYSTEMS 64

APPENDIX D – TECHNICAL STANDARDS 65

APPENDIX E – RECOMMENDED PALO ALTO STANDARDS 67

BIBLIOGRAPHY 69

I. MODERN CABLE TELEVISION FRANCHISING FOR CALIFORNIA CITIES

Scope of the Report

There are several cable television policy questions facing California city councils. By far, the most important issue is local franchising of cable television systems, utilizing the accumulated experience of cities throughout the state. Overlaying this experience is the 1972 intervention of Federal regulation.

Lesser issues are: municipal ownership and operation; public access regulations and funding; and "blue-sky" prospects for cable television. These are not only of substantially less importance in the total municipal picture, but can only be resolved after rational, workable and equitable franchising procedures are universally employed. This report, therefore, is primarily concerned with franchise revision, and only cursorily covers the other issues which, as the Bibliography shows, are the subject of voluminous studies, reports and publications.

Background

The League of California Cities, on December 1, 1965, issued its suggested ordinance for the use of cities to provide for the granting of franchises for community antenna television (CATV) systems and providing, also, suggested terms and conditions for the operation of such systems and establishment of fees.

On January 27, 1972, the Board of Directors of the League of California Cities adopted the report of its Ad Hoc Cable Television Committee recommending that the League revise the suggested CATV ordinance and that there be prepared an accompanying report to highlight the cable television policy issues facing municipal officials. The report also proposed the convening of a symposium or workshop to help transmit and amplify the information contained in the suggested ordinance and report. In adopting the Ad Hoc Committee's report, the Board of Directors also authorized staff to employ a consultant for the study, report and preparation of the new suggested cable television ordinance.

This report, with its suggested ordinance, is now most timely in view of the myriad developments in cable television since the issuance of the League's model ordinance in 1965.

For some idea of the changes since then, consider this 1964 observation of the International City Managers Association as it distributed a model ordinance prepared by the National Institute of Municipal Law Officers:

> "CATV operations are not currently regulated by any governmental agency at least as far as their earnings are concerned. In no state has CATV been considered a public utility. By and large, the public utility commissions do not have jurisdiction because CATV systems provide a form of entertainment, and entertainment is not regarded in law as a public necessity . . . The FCC has determined that it, too, has no direct jurisdiction over CATV systems. The FCC, however, does have control over the technical aspects of systems' electronic interference with other means of reception. . ." (1)

On February 2, 1972, seven years later, the Federal Communication Commission adopted its new rules and regulations, effective March 31, 1972, "for the certification of cable television systems and for their operation in conformity with standards for carriage of television broadcast signals, program exclusivity, cable casting, access channels, and related matters." (2)

Again, on July 14, 1972, the Commission issued a Reconsideration of Report and Order modifying, in some particulars, its February 2, 1972 ruling. (3)

---

(1) ICMA, Management information Service, Report No. 251, Municipal Regulation of Community Antenna Television System, Chicago, Dec. 1964, p. 8.
(2) Federal Register, Feb. 12, 1972, Part II, Vol. 37, No. 30, Sec. 76.1, p. 3278.
(3) Federal Register, July 14, 1972, Part II, Vol. 37, No. 136.

Two items of different importance, are noteworthy. First (and of rhetorical consequence only), the subject of this ruling and of this report is **cable television**, not community antenna television. This is a distinction with a difference because it aptly defines an industry substantially changed from its original form and function, namely, the capturing, "off-the-air," and retransmitting of broadcast television signals unavailable in good quality or sufficient quantity to its local subscribers.

But of major importance is the final role which the Federal Communications Commission now assumes, vis-a-vis cable television: its technical regulation and franchising; some observers call it "a whole new ball game."

That the Federal Communications Commission is starting this new ball game, with new ground rules, it is not surprising in light of what has happened nationally in less than a decade.

> "For cable television as with other new technologies, there are alternative futures. Each cable entrepreneur and media commentator conjures up a personal scenario. Such speculation intrigues journalists and stimulates the imagination. Unfortunately, it bears little relation to reality. The facts about CATV development today are not only disappointing in terms of the public interest, they are sometimes the examples of the deficiencies and even corruption of government regulation at the local level." (4)

Franchising

Cable television franchising procedures, in California, while thankfully free from the corruption of public officials which attended local franchising in New Jersey, have also varied widely, and sometimes dangerously, from the standards suggested by the League in 1965. (5)

A survey conducted in May, 1972 was addressed to 407 California cities of which 332 responded. Of these, 134 forwarded their city ordinances and franchises which have been examined along with many model ordinances of other state municipal leagues and interested national organizations (See Bibliography).

Their variations in phraseology, terms and general content bare little resemblance to the 1965 California model. Wide differences in franchising techniques are employed from city to city. (6) About the only uniformity discernible is in the nearly universal attempt to extract bonus, or "lump sum" payments from franchisees and the fixing of franchise fees at a percentage of the systems' gross annual revenues, without concern for the advertising and auxiliary service revenues currently projected by the Federal Communications Commission and others as exceeding, both in importance and potential, the return from conventional television re-transmission.

Many smaller cities accomplished franchising through a single ordinance which defined the required system, set subscriber rates and franchise fees, fixed the term, and awarded the franchise. Others followed the League model with two ordinances, the second of which awarded the franchise.

Some larger cities have painstakingly assembled, under a general cable television ordinance, all of the "ground rules" for invitations to bid on optimum services and maximum financial payments. Still others, by separate ordinances, established procedural controls and administrative regulations covering the on-going operations of the system, as well as rate and installation charges.

Variation is seen in ordinance provisions for operational standards. While most smaller cities adopted the league model in toto, the several largest have spelled out intricate, technical requirements (research disclosed much expertise in this area, furnished either by municipally employed cable television consultants or by larger, more sophisticated bidders themselves).

---

(4) Center for Analysis of Public Issues, Crossed Wires–Cable Television in New Jersey, Princeton, New Jersey, 1971, p. 2.
(5) League of California Cities, Suggested Model Ordinance, Dec. 1965.
(6) See Appendix A.

Requirements for the number, kinds and uses of channels to be furnished also varied greatly. Existing franchises range from a minimum required service of five channels to twenty-seven, and as high as fifty-four. Twenty channel capacity is the average. Some cities specified the kinds of channel service to be provided, namely, VHF and UHF; but most did not.

Respecting uses of channels, only a handful required reservations of channels for education and local government programming; **none** provided for the public access uses now required by the FCC. Nor did any ordinances or franchises in California require that cable television systems originate local programs as now required by the Federal Communications Commission.

Many recent franchises extracted commitments from system operators to provide studio, equipment, technical services and video installations for fire, police, educational and general municipal communications, without cost to the city. But most franchises do not address this question.

The Federal Communications Commission, noting franchise payments up to 36% and reacting thereto, charged that high local franchise fees, "bonus" and "lump-sum" payments, and demands for free local services (amounting to bonuses) resulted in levying indirect and regressive taxes on local subscribers. More importantly, the Commission concluded that these practices impair cable's development of its full potential of service, and burden the industry to the extent that it will be unable to perform its part in the national communications program, which the Commission envisions as "wiring the nation."

In addition, the Commission points out that the question of copyright payments by cable systems is yet to be resolved by the Congress, and systems overburdened with local payments and financial commitments will certainly be in financial jeopardy, leaving localities without service, or in need of renegotiation of franchises, when copyright payments are mandated.

Because it concluded that too many local authorities appear to have extracted high franchise fees, "**more for revenue-raising than for regulatory purposes,**" the Commission now imposes the requirement that, before any new system can receive its certification to receive and retransmit television and radio broadcast signals, it must present a local franchise, the fee for which may not exceed 3 percent of gross subscriber revenues from cable television operations within the community. The Commission has further declared that systems franchised and operating prior to March 31, 1972 will be permitted to continue until March 31, 1977, or to the date of the termination of their franchise period, whichever occurs first.

Some city attorneys seriously question the authority of the Commission to declare the maximum franchise fees that cities may fix for the use of local streets and public easements. There is also serious doubt of the constitutionality of the Commission's avowed intent to impair or abrogate, within the next five years, contractual relations already existing between municipal corporations and cable system operators.

There is also manifest ambiguity in the Commission's language directed at limiting franchise fees, when it says that they "shall be reasonable, e.g., in the range of 3-5% of gross subscriber revenues."

In light, however, of the real concern of the Commission, and of the trend, in California franchises, toward revenue-raising rather than regulation, as the paramount objective, this suggested ordinance is designed to provide a uniform procedural approach to franchising, albeit with reasonable compensation to cities in payment for the privilege of using city facilities for those activities of cable television systems **other than** the conventional retransmission of television and radio broadcast signals, licensed under Federal laws relating to interstate commerce.

Conferring with the directors of California Community Television Association, and its counsel, the League committee and its consultant received valuable assistance and many worthwhile suggestions which have been incorporated in these suggested ordinances, and not a few objections to some of its provisions.

Chief among the contested issues was that involving the segregation of services and franchise fee payments.

This ordinance assumes that, for new franchises, the Commission will deny certification when local franchise fees exceed 3 percent of "gross annual subscriber revenues," and that fees in excess of this

percentage will be approved only under the conditions imposed by the Commission.

The issue turns on two questions: (1) what does the Commission mean by the term, "gross subscriber revenues?", and (2) if the Commission seeks to limit local fees for **all** cable television services franchised by local authorities, does it have any jurisdiction beyond regulating the conventional process of receiving "off the air" and retransmitting broadcast television and radio signals?

Parenthetically, origination cablecasting is mandated by the Commission, in certain areas, as a **condition precedent** to receipt and retransmission, and is not conclusive on the jurisdictional question.

From a reading of the Commission's Report and Order, from conversations with the Cable Television Bureau of the Commission, in reviewing deliberations of its Federal/State/Local Advisory Committee, and on its own analysis, the League committee concluded that the Commission did not intend, by the term "**gross annual subscriber revenues**" to include revenues **not** obtained from subscribers for conventional television and radio broadcast retransmission, such as, advertising, channel leasing, data transmission and separately charged or billed pay television services.

Most California franchises, following the League's 1965 model, based franchise fees on "**gross annual receipts.**" Interpreting the Commission's limitation as saying the same thing, cable television industry representatives argue against the segregation feature of this ordinance.

But, new franchises under this narrow interpretation will be faced with a decline in franchise fees substantially below the California general law cities' ceiling of 5 percent, and those of charter cities, at least for the next five years (assuming the right of the Commission to alter existing franchises).

Further, pay television, not permitted to California cable television systems heretofore, is now not only authorized by the new Federal rules, but state and local authorities are precluded, by court decision, from prohibiting franchisees from engaging in this profitable business.

Finally, a whole range of new services is now authorized by the Commission, namely, two-way capability and local government, education, public and leased access channels. By this new Federal action, in the Commission's words, there is "**a future for cable in which the principal services, channel uses and potential sources of income will be from other than 'over-the-air' signals.**"(7)

For other than "over-the-air" signals this ordinance seeks to provide a fair and reasonable return to the city for the use of its streets and other public facilities; for, in legal effect, the franchise is more than a license to engage in this form of business activity; it is a qualifiable authorization to use the public streets in connection with it.

This suggested ordinance attempts, also, to provide local response to the Federal Communications Commission's solicitation of "dual" control over franchising, followed the Commission's own rejection of the concept of exclusive Federal franchising.

Under the new regulation, where a local ordinance might omit requirements for minimum channel capacity, two-way capability and additional access channels, or fail to delineate performance standards, minimum requirements in these areas are now imposed on new systems in the top 100 markets, and will likely be imposed on existing systems within the next five years.

Therefore, the ordinance suggests that cities set a minimum twenty (20) channel capacity, although greater channel capacity may be desirable, depending upon local public interest and, especially, the intensity of the cable television use contemplated by the city, its schools and local organizations interested in public access. Since new systems, and existing systems within five years, **must** increase channel capacity in these areas, city councils and administrators should anticipate these needs as far as possible. Two-way installations are now Federally required for new systems, but only in a rudimentary form, i.e., capability only, as against

---

(7) op. cit., Fed. Reg., p. 3269, par. 120.

actual transmission and the suggested ordinance proposes that all cities opt for two-way capability, at the very least.

Provision for two-way audio and audio-visual capacity, or their installation as operating elements, is not yet mandated by Federal regulations; but, the "hardware" for such services is already developed and rapidly being refined. And while the ordinance does not address itself to these more sophisticated forms of return communications, over the simple digital two-way capacity, the Commission itself has stated:

> "Where a franchising authority **has a plan for actual use** of a more sophisticated two-way capability and the cable operator can demonstrate its feasibility both practically and economically, we will consider in the certificating process allowing such equipment." (8)

The Commission has also emphasized, in its Report and Order, three other areas in which it expects action by local franchising authorities: (1) the elimination of public bidding; (2) affording due process and public hearings in franchise awards and rate setting; and (3) attention to customer complaints. On these issues, the suggested ordinance differs considerably, not only from the 1965 model, but from many extant in California, by providing these specific procedures.

Finally, the Commission urged local franchising authorities to so prepare their ordinances as to insure, as far as possible, that cable system operators are bound to construction schedules and prevented from the speculation and trafficking which has all too often occurred in the past. In addition to the suggestions contained in the ordinance, requiring a scheduled plan of construction, cities are cautioned to examine carefully and thoroughly the performance, competency and capability of the applicants, a process which the Commission will also examine when certification is later sought. Therefore, from the League survey, and with assistance from the industry, there is also compiled in the Appendix,(9) pertinent information on California cable television system operations.

Municipal ownership

Following a feasibility report submitted by its city manager in 1968,(10) the City of San Bruno began municipal operation of a cable television system. Its experience was recently reported in Western City Magazine.(11)

Portola, in Plumas county, also owns and operates a cable television system; and the City of Palo Alto is presently considering municipal ownership. (12)

The League of California Cities is not making policy recommendations for or against municipal ownership of cable television systems. However, this study reviewed the pros and cons of this issue.

Proponents argue that a municipally owned system is good for a city if "properly controlled, guided and set up;" that the financial rewards and benefits of such an operation can be extended into the community in the form of additional services; that municipal ownership is good for the advancement of the cable television industry as a whole, particularly because, they argue, private operators are under current financial constraints inhibiting the additional expense of investment in two-way systems.

As in the case of electric power and water supply, municipal ownership has also provided an invaluable "yardstick" for other cities where such services are provided by private companies. Without the knowledge and experience in such municipal operation, other cities, and the League, would be literally "in the dark," substantially handicapped in representing the public interest in these areas.

---

(8) op. cit., Fed. Reg., p. 13858, par. 79, ff. 25.
(9) See Appendix B.
(10) City of San Bruno, Cable T.V. Feasibility Report, Gerard Vergeer, City Manager, Nov. 1968.
(11) Western City Magazine, Municipal Ownership, May, 1972, p. 25.
(12) City of Palo Alto, Cable Television System–Engineering Feasibility Study, Hammett & Edison Consulting Engineers, San Francisco, June, 1970.

Opponents of municipal ownership caution cities to seriously and thoroughly study the new Federal regulations mandating educational and public use. Particularly perilous is the potential municipal liability inherent in management and content control of the "public access" channel which, under private operation, devolves upon the system operator who is charged, by the Federal Communications Commission, with promulgating, filing and enforcing rules respecting defamation, obscenity, and "fairness." Also, in face of the new regulations respecting the provision of educational channels, municipalities may well find themselves involved with many problems, costly and alien to conventional city operation, e.g., allocating channel time to competing institutions, public and private; and meeting their demands for financial support of studio and technical services.

The California Constitution provides sufficient authority to cities to own and operate a municipal cable television system. This view has been confirmed by a 1971 opinion of the Attorney General (54 Ops. Cal. Atty. Gen. 135). The constitutional reference is Article XI, section 9 (formerly section 19) which provides that "a municipal corporation may establish, purchase, and operate public works to furnish its inhabitants with light, water, power, heat, transportation, or means of communication . . ."

The phrase "means of communication" would readily apply to a municipally owned and operated cable television system. State courts have long held that this provision of the Constitution is self-executing and cities need no further authority to finance such a system.

The Attorney General has issued an opinion to the same effect and has further elaborated that a California city would be authorized to issue general obligation bonds to finance a cable television system under Government Code sections 43600 et. seq., as well as use other traditional methods of financing municipal projects out of tax and other revenue sources. The Attorney General has also mentioned the availability of Public Utilities Code section 10001 for this purpose. This section simply provides, "Any municipal corporation may acquire, construct, own, operate, or lease any public utility." While the reference here is to a public utility, which might, at first glance, render the statute inapplicable to a cable television system, the Attorney General's analysis is to the contrary.

Public Access Funding

With the new Federal requirement for provision of the "public access" channels has come an increasing demand that local government so structure new franchises as to provide funding for their use. National organizations have been formed and are actively campaigning, at all governmental levels, for imposition, in franchises, or segregation out of franchise fees, of sums to meet studio and technical service costs of public access channel users.

This is an area also recommended to serious municipal consideration. Franchise fee return, based on subscriber revenues, is now federally limited to 3%, with an indicated approval of fees up to 5%, under certain vague conditions. Public access funding proponents argue that the Federal Communications Commission ought to approve franchise fees of 4-5% when committed, by the franchise, to this objective. To this proposal, the Chief of the Commission's Cable Television Bureau has responded:

> "There is no hard and fast answer to this question at present. Clearly, however, the factors that would bear heavily in the Commission's consideration of any such scheme would include the amount of excess fee the danger that, through funding, local governments would control public access programming, and the possibility of other alternatives."(13)

Aside from the questionable validity of this argument, consideration must be given to the problem inherent in the management and disposition of such segregated funds. This suggested ordinance could not be so extended to anticipate and provide for the detail so obviously involved in the public access funding concept. But, in this era of "consumerism" and segmented "community participation," some cities, and even urban regions, will have to face this demand. Unfortunately, the bridge between ideas and action in this area is only in the early design stage.

---

(13) Letter, from Sol Schildhause, Chief, Cable Television Bureau, FCC, to Edward M. Allen, President, Western Communications, Inc., Aug. 11, 1972.

"Blue-Sky" prospects

No newly developing technique is the object or more fanciful projections for manifold applications and uses than cable television. However, practicality dictates narrowing the limits of municipal franchising to the economically possible, rather than the technologically probable commercial uses of cable television. Because of its high "capital-intensive" structure[14], and the Federal policy for "wiring" the nation with all possible speed, cities should avoid franchise attempts to include the universe of cable television uses.

Federal Regulation

The most concise summary of the role of the Federal Communications Commission in the area of cable television, prior to the issuance of its new regulations, is that presented by the Center for Analysis of Public Issues in its publication: "Crossed Wires":[15]

> "The Federal Communications Commission has played an uneven, sometimes perplexing role as regulator of CATV development. Its relationship to the cable industry and its views on the extent and substance of federal regulation have been subject to sudden changes. Descriptions of FCC policy regarding CATV quickly become out-of-date. This survey of Commission action is offered simply as a partial explanation of the past as a guide to the possible range of future FCC conduct.
>
> "Federal Regulation of the electromagnetic spectrum (including radio and television) dates from 1927, and today the FCC jurisdiction over the spectrum supersedes any state or local control. Court opinions have consistently limited the role of other governments to those areas ignored or delegated by the Commission.
>
> "Despite this background, the FCC ruled in 1959 that it did not have jurisdiction to regulate cable TV. The industry's rapid growth, however, resulted in substantial litigation, pressures from Congress, and perhaps most importantly, cries of pain from the FCC's major constituency, the over-the-air broadcasters. By 1965, the Commission had reversed its position, issuing a 'First Report and Order' which dealt with general regulation for cable systems served by microwave relays. In 1966, the agency issued a 'Second Report and Order' setting minimum importation of distant signal requirements for all cable systems in the country. The Commission now believes that it has the legal authority to shape nearly every aspect of cable TV development.
>
> "The two regulatory orders indicated that the Commission was more concerned with protecting the competitive position of over-the-air broadcasting than with creating a clear regulatory framework for a new medium.
>
> "Under the First Order, systems were required to carry all local stations, an eminently reasonable regulation since most television sets are unable to receive over-the-air broadcasting once connected to the cable. A non-duplication provision also was introduced which prohibited use of programs imported from distant stations on the same day that they were available locally over the air, an attempt to protect the competitive position of local stations.
>
> "The principal provisions of the Second Report and Order applied to the nation's hundred largest markets. In these markets, a cable system could import signals only if it proved that such importation would not harm local stations. Over-the-air stations (or even groups intending to develop over-the-air stations), on the other hand, could prevent cable importations simply by objecting without the necessity of proving harm. The burden was on the cable operator to prove that he caused no harm. The Second Report and Order retarded the growth of cable TV in the hundred largest markets comprising nearly 90 percent of the nation's population. Without distant program importation, cable operators confronted very difficult marketing problems.

---

(14) See Appendix C.
(15) op. cit., Crossed Wires, pp. 25-29, ff. 3.

"While emphasizing the need to protect the over-the-air broadcasters, the FCC claimed a special concern for UHF channels. UHF always has been the poor relation in over-the-air broadcasting. UHF stations without network affiliations rarely turn a profit. The FCC, in hopes of promoting greater diversity over the air, has argued that the interests of such stations must be protected. Since nearly all available VHF channels are in use, only the UHF band offers any potential for growth in over-the-air broadcasting.

"Some observers of the Commission are cynical about the avowed aim of 'protecting' UHF from cable. They point out that many objections to CATV development come not from UHF operators, but from the large and profitable VHF broadcasters. These broadcasters are concerned that CATV – by putting all channels on an equal clear-signal footing over the cable – will help, not hurt, UHF stations.

"Since 1966, the FCC has placed further restrictions on CATV growth. The Commission made it necessary, both in and outside the hundred largest markets, for a cable operator wishing to extend services and import a distant signal to give notice to all television stations within whose contour the service would be located. In 1968, the Commission, distinguishing again between the hundred largest markets and others, 'proposed' that the limitation on importation of distant signals be imposed within a 35-mile radius of major market communities. The prohibition is absolute in the sense that it is not subject to a hearing or waiver as in the earlier reports. In fact, the only basis on which a cable company could import a signal was to obtain permission from the originating station. More importantly, the FCC ruled that until this 1968 proposal was adopted formally, cable companies had to operate as though it were in fact a regulation. This amounted, in effect, to a freeze on the importation of distant signals within the 35-mile radius. (The Commission did exempt operations in existence on the effective date of the notice.) In 1970, in a Second Further Notice, the FCC continued the 1968 freeze and the requirement for retransmission consents. (In a recent Congressional appearance, the Commission acknowledged that the requirement that program-by-program retransmission consents be obtained was unworkable and indicated that it would be eliminated.)

"The FCC has moved in several other areas since its Second Report and Order, particularly with regard to ownership of cable systems. There was for a time the real possibility that cable development would be controlled by telephone companies. Several FCC actions culminated in a ruling that such companies could not operate in areas which they provided with telephone service. The Commission, in addition, has prohibited networks from cable TV ownership anywhere. Independent and affiliated TV stations are prohibited from CATV ownership within the locality in which they operate. There are no rules yet as to radio and newspaper ownership."

The new regulations have been effective since March 31, 1972, and are applicable to all new systems not actually transmitting energized signals before that date. Although the new regulation purports to afford "grandfather" status to systems operating on the effective date, **they enjoy exemption only until March 31, 1977, or to termination of their present franchises, whichever occurs first.**

New systems, and those under franchise but not certified by FCC prior to March 31, 1972, must now present, together with the certification application, a copy of their local franchise. All systems franchised, but not operating before March 31, 1972, must file their franchises and receive certification. As the rule now stands, within the next five years all cable television franchises will be examined by the Federal Communication Commission for compliance with its regulations.

"Franchising: We are requiring that before a cable system commences operation with broadcast signals, it must obtain a certificate of compliance from the Commission. The application for such a certificate must contain a copy of the franchise and a detailed statement showing that the franchising authority has considered in a public proceeding the system operator's legal, character,

financial, technical, and other qualifications, and the adequacy and feasibility of construction arrangements.

"We expect that franchising authorities will publicly invite applications, that all applications will be placed on public file, that notice of such filings will be given, that where appropriate a public hearing will be held to afford all interested persons an opportunity to testify on the qualifications of the applicants, and that the franchising authority will issue a public report setting forth the basis for its action. Such public participation in the franchising process is necessary to assure that the needs and desires of all segments of the community are carefully considered."(16)

Under its present regulation, the Federal Communication Commission rejected exclusive federal franchising of cable television systems. While retaining regulatory standards and requiring its certification for system operation, the Commission leaves initial franchising authority with state and local governments, subject to minimum federal standards.

"**Dual Jurisdiction**: The comments (made by various industry and local government interests during our cable television deliberations) advance persuasive arguments against federal licensing (of cable television systems).

"We agree that conventional licensing would place an unmanageable burden on the commission. Moreover, local governments are inescapably involved in the process because cable makes use of streets and ways and because local authorities are able to bring a special expertness to such matters, for example, as how best to parcel large urban areas into cable districts. Local authorities are also in better position to follow up on service complaints. Under the circumstances, a deliberately structured dualism is indicated; the industry seems uniquely suited to this kind of creative federalism.

"We are also persuaded that because of the limited resources of states and municipalities and our own obligation to insure an efficient communications service with adequate facilities at reasonable charges, we must set at least minimum standards for franchises issued by local authorities. These standards relate to such matters as the franchise selection process, construction deadlines, duration of the franchise, rates and rate changes, the handling of service complaints, and the reasonableness of franchise fees. The standards will be administered in the certificating process."(17)

On applications for certification, i.e., **authority to operate the system**, franchises will be examined by the Federal Communications Commission for compliance with its standards in the following areas:

(1) **The Selection Process.** Franchising authorities must consider, in a public proceeding affording due process, the applicant's character, legal, financial, technical, and other qualifications. In addition, franchising authorities must have determined upon the adequacy and feasibility of the franchisee's construction arrangements.

(2) **Construction of the System.** Franchising authorities must establish general timetables for construction and operation of systems to insure that franchises not lie fallow or become subject to trafficking. As a minimum, franchises should require the cable system to accomplish significant construction within one year from federal certification; **significant construction the Commission considers to be 20% of the franchised area per year, with completion accomplished within five years.** Finally, although not specifically spelled out in the regulation, but expressed in its preamble, the Commission emphasized that provision must be made for cable television service to develop equitably and reasonably in all parts of the community saying:

---

(16) loc. cit., Fed. Reg., p. 3276, par. 178.
(17) op. cit., Fed. Reg., p. 3276, par. 177.

"A plan that would bring cable only to the more affluent parts of a city, ignoring the poor areas, simply could not stand. No broadcast signals would be authorized under such circumstances. While it is obvious that a franchisee cannot build everywhere at once within a designated franchise area, provision must be made that he develop service reasonably and equitably. There are a variety of ways to divide up communities; the matter is one for local judgment." (18)

(3) **Franchise Duration.** After first saying that the initial franchise period or any renewal period should be of a reasonable duration, not exceeding 15 years, the Commission, five months later, concluded:

"While there may be situations where a 15-year franchise period is inappropriate, it appears to be a reasonable point of departure. Because our requirement of "reasonable duration' seems to have confused some parties, we have decided that our rules should more directly reflect the statements made in the report and have therefore now set 15 years as the standard to be followed. If good cause can be shown in a particular instance for some other franchise period, we will of course entertain such a documented showing in a petition for special relief."(19)

(4) **Subscriber Rates.** While the Federal Communications Commission will not review the actual rates, nevertheless, it will examine franchises to insure that they specify or provide for approval of initial charges to subscribers for installation and regular service; and that no changes in rates charged to subscribers shall be made except as authorized by the franchising authority, **after appropriate public proceedings involving due process.**

Respecting actual rates, the Commission indicates that it will judge the rates found in franchises by what it calls "an appropriate standard," namely, the maintenance of rates that are fair to the system and to the subscribing public – a matter that will turn on the facts of each particular case . . . "and the accumulated experience of other cable communities."

(5) **Service Complaints.** Franchises will be examined to see that they provide for the investigation and resolution of local service complaints and also that franchisees maintain a local business office or agent for these purposes. Complaints which concern the Commission are those regarding the quality of the service.

(6) **Franchise fees.** The franchise fees shall be reasonable (e.g., in the range of 3-5% of the franchisee's gross **subscriber** revenues per year from cable television operation in the community), including all forms of consideration such as initial lump sum payments. If the franchise fee exceeds 3% of such revenues, the cable television system shall not receive Commission certification until the reasonableness of the fee is approved by the Commission on showings, **by the franchisee**, that it will not interfere with the effectuation of Federal regulatory goals in the field of cable television and, **by the franchising authority**, that it is appropriate in light of its planned local regulatory program.

(7) **Channel capacity.** Except for systems franchised in the top 100 markets, the new Federal Communication rules do not require a minimum channel capacity in franchises.

New systems in the top 100 markets must provide a minimum 20-channel capacity and, in addition, shall be capable of providing additional channels (6 HMz in width suitable for transmission of Class II and Class II signals)* for each broadcast signal carried.

In the top 50 markets new cable television systems must provide a "minimum service quota" of three (3) network stations and three (3) independent stations licensed to communities within 35 miles. Systems in the second 50 top markets must carry three (3) network and two (2) independent stations. In all other markets, the requirement is for three (3) network and one (1) independent station. (Independent stations may be VHF or UHF.)

---

(18) op. cit., Fed. Reg., p. 3276, par. 180
(19) loc. cit., Fed. Reg., p. 13862, par. 111.

If, after carriage of stations within 35 miles, those from the same market, and those meeting the Commission's significant viewing test, the service authorized is not available, distant signals are permitted to be imported, not "leap-frogged," to make up the defined level of service.

Further, in the top 100 markets, systems may carry two additional signals beyond the "minimum service quota" (less the network or independent signals to meet the quota). In all other markets, cable systems are not permitted to import network or independent signals beyond the designated 3-1 service level.

Systems in all markets may carry all educational signals and foreign language stations (absent the broadcasters' objection); these signals are not counted against the "minimum service quota."

Finally, **all** new cable television systems in the major markets carrying broadcast channels must also provide, for each broadcast channel carried, an additional channel for the following uses:

(a) **Two-way communication**, i.e. technical capacity for non-voice (digital) return communication.

(b) **Public access**: At least one specifically designated, non-commercial public access channel available on a first-come, non-discriminatory basis. The system shall maintain and have available for public use at least minimal equipment and facilities necessary for production of programming for such a channel.

(c) **Education access**: At least one specifically designated channel for use by local educational authorities.

(d) **Local government access**: At least one specifically designated channel for local government uses.

(e) **Lease access**: After providing public access, education access and local government access, the system shall offer other portions of its nonbroadcast bandwidth, including unused portions of the specially designated channels, for lease access services.

These specifically designated access channels (public; education; local government; lease access) are subject to what is known as the "N-plus-1" rule which requires that whenever any one of these chanels is in use during 80% of weekdays (Monday-Friday) for 80% of the time during any consecutive three-hour period for six consecutive weeks, the system shall, within six months, make a new channel available for any or all of the specific purposes excepting, however, that the lease access channel shall assume the burden for the requirement for additional services on the other three channels. Under certain defined circumstances, systems are bound, in adding access channels, to the following priority: first, public access; second, education access; third, local government access; fourth, leased access. (20)

---

* **Class I Cable Channel:** this is the Commission's designation for those cable channels devoted to delivering standard broadcast television signals picked up off-the-air at the head-end, or delivered to the cable network by micro-wave, or provided by direct connection to a local television broadcast station. These channels are subject to technical standards imposed by the Commission.

Class II Cable Channel: this is the Commission's designation for those cable channels used for the delivery of cablecast programming. These channels are those used for television signals not obtained from television broadcast stations, but that are intended to display pictures on subscribers' television receivers without the use of decoding devices. Channels carrying television pictures purposely encoded or processed to permit reception by only selected subscribers are **not** included in this category. There are no technical standards now provided for these channels.

Class III Cable Channel: "In addition to television pictures, cable systems are likely to deliver to subscribers other forms of communication. We recognize the potential for a wide diversity of communications, some of which will require terminal equipment in subscriber homes. No technical standards are provided for application to the Class III cable channels at this time."

Class IV Cable Channel: this class will apply to "return" and "response" channels. At this time plans for use of those channels envision a relatively narrow band of frequencies that will be used to return limited amounts of information from subscriber to the control point. Again, no technical standards are developed for this channel.

(20) op. cit., Fed. Reg., p. 13867, Sec. 76.251, subd. c.

The education and local government access channels must be made available without charge for five (5) years from completion of the system's basic trunk line.

One public access channel shall always be made available without charge, except for production cost for live-studio presentation exceeding five minutes.

These additional channel requirements are not mandated for systems located wholly outside of all major television markets; however, **where they are imposed by local agencies**, the requirements shall not exceed the Commission's provisions concerning the availability and administration of access channels required of the system's operation in the major markets.

(8) **Local regulation of channel uses.** Except for the local government access channel, the Commission's new regulation **precludes** local regulation of the other access channels; specifically, local entities are not permitted to require that channels be assigned for purposes other than those specified in the regulations.

However, a different and more serious question is involved for state and local franchising authorities in exercising **control** over these channel uses in the Federal Communications Commission's attempt to charge only the operator with responsibility for rule-making governing the use of the public, educational, and lease access channels. Silent on local government channel use, the Commission requires that the private operator promulgate rules to apply to access services; that they be kept on public file at the system's local office, and with the Commission in Washington, D.C. In addition, no local entity may prescribe any other rules concerning the number or manner of operation of access channels; but, local agency franchise specifications concerning the number of such channels for systems in operation prior to March 31, 1972 may continue in effect.

(9) **Cablecasting.** The new Federal Communications Commission regulation requires all cable television systems having 3,500 or more subscribers, and which carry any television broadcast signal, to operate to a "significant" extent as a local outlet by original cablecasting, having available facilities for local production and presentation of programs, **other than automated services**, and using one or more designated (Class II) channels which may be used for no other purpose.

This requirement for original cablecasting is phrased as a condition precedent to the retransmission of any television broadcast signal, and is not exempted by "grandfather" status. Since issuance of the regulation this "original cablecasting" provision has been upheld in the courts.

(10) **Technical standards.** Until this new regulation, some ordinances and/or franchises included both installation and performance standards; they are now a part of the Federal Communications Commission regulation and they are set forth in the Appendix[21]; also, in the Appendix, are technical and maintenance standards recommended in the Palo Alto study.[22]

(11) **Pay-TV.** Although the 1965 League model ordinance (and those of other state municipal leagues) suggested provisions prohibiting cable television systems from engaging in "Pay-TV" operation, the Federal Communications Commission declared, in 1971, that its own 1968 rules authorized this use and preempted local regulation of pay cable (FCC Rule 74.1121).

Again, in the new regulation (Section 76.225), the Commission sets forth additional requirements for "per-program" or "per-channel" charges for reception of cablecasts, and sets forth detailed restrictions on the showing of certain feature films and sports event films.

(21) See Appendix D.
(22) See Appendix I.

State regulation

In California there is broad enabling authority for cities to franchise or license community antenna television systems. Government Code Sections 53066 reads as follows:

> "53066. Any city or county or city and county in the State of California may, pursuant to such provisions as may be prescribed by its governing body, authorize by franchise or license the construction of a community antenna television system. In connection therewith, the governing body may prescribe such rules and regulations as it deems advisable to protect the individual subscribers to the services of such community antenna television system. The award of the franchise or license may be made on the basis of quality of service, rates to the subscriber, income to the city, county or city and county, experience and financial responsibility of the applicant plus any other consideration that will safeguard the local public interest, rather than a cash auction bid. The maximum franchise fee for any franchise or license hereafter awarded pursuant to this section or pursuant to any ordinance adopted under authority of this section by any city or county or city and county shall be 5 percent of the grantee's gross receipts from its operations within such city or county or city and county. Any cable television franchise or license awarded by a city or county or city and county pursuant to this section may authorize the grantee thereof to place wires, conduits and appurtenances for the community antenna television system along or across such public streets, highways, alleys, public properties, or public easements of said city or county or city and county. Public easements, as used in this section, shall include but shall not be limited to any easement created by dedication to the city or county or city and county for public utility purposes or any other purpose whatsoever."
>
> (Unless their charters expressly prohibit this activity, charter cities have the authority to franchise cable television systems, and are not subject to the 5 percent limitation.)

The only other statutory provisions on cable television are contained in Public Utilities Code Sections 215.5 and 768.5. These sections read as follows:

> "212.5 'Cable television corporation' shall mean any corporation or firm which transmits television programs by cable to subscriber for a fee."
>
> "768.5. The Commission may, after a hearing, by general or special orders, rules, or otherwise, require every cable television corporation to construct, maintain, and operate its plant, system, equipment, apparatus, and premises in such manner as to promote and safeguard the health and safety of its employees, customers, and the public, and may prescribe, among other things, the installation, use, maintenance, and operation of appropriate safety or other devices or appliances, establish uniform or other standards of construction and equipment, and require the performance of any other act which the health or safety of its employees, customers, or the public may demand.
>
> "Nothing in this section shall be construed to either grant or deny a cable antenna television corporation the right to use the easement of a public utility."

Pending State Legislation

During recent years the state legislature has considered proposed legislation which would establish a state cable television commission or empower the state Public Utilities Commission to regulate cable television franchises in California. For example, 1972 Senate Bill No. 663, which was referred to an interim study committee, would have enacted the Cable Television Act of 1972, created a state Cable Television Commission, established a non-exclusive system of state regulation of cable television companies, and provided for issuance of local cable television franchises subject to approval of the Commission. The League will continue to oppose all such attempts to transfer municipal governments' franchising authority to the state.

II. AN ORDINANCE OF THE CITY OF _____ ESTABLISHING A PROCEDURE FOR THE GRANTING OF FRANCHISES FOR CABLE TELEVISION SYSTEMS

The City Council of the City of _____ does ordain as follows:

Section 1 – Definitions

For the purposes of this ordinance, the following terms, phrases, words abbreviations, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number:

(a) **"City"** shall mean the city of _____, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or re-incorporated form.

(b) **"Council"** shall mean the present governing body of the City of _____ or any future board constituting the legislative body of the City.

(c) **"Chief Administrative Officer"** shall mean the city manager, city administrator, or other designation of the city's chief executive officer, or any designee thereof.

(d) **"Franchise"** shall mean and include any authorization granted hereunder in terms of a franchise, privilege, permit, license or otherwise to construct, operate and maintain a cable television system within all or a specified area in the City. Any such authorization, in whatever form granted, shall not mean and include any license or permit required for the privilege of transacting and carrying on a business within the City as required by other ordinances and laws of this City.

(e) **"Person"** shall mean any natural person and all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, business or common law trusts, and societies.

(f) **"Grantee"** shall mean the person, firm or corporation granted a franchise by the Council under this ordinance, and the lawful successor, transferee or assignee of said person, firm or corporation.

(g) **"Street"** shall mean the surface, the air space above the surface and the area below the surface of any public street, other public right of way or public place, including public utility easements.

(h) **"Property of Grantee"** shall mean all property owned, installed, or used within the City by a Grantee in the conduct of a cable television system business under the authority of a franchise granted pursuant to this ordinance.

(i) **"Subscriber"** or **"User"** shall mean any person or entity receiving for any purpose any service of the Grantee's cable television system including, but not limited to, the conventional cable television system service of retransmission of television broadcast, radio signals, Grantee's original cablecasting, and the local government, education and public access channels; and other services, such as leasing of channels, data and facsimile transmission, pay television, and police, fire and similar public service communication.

(j) **"Cable television system;" "CATV;"** and **"CTV,"** for the purpose of this ordinance, are terms describing a system employing antennae, micro-wave, wires, wave-guides, coaxial cables, or other conductors, equipment or facilities, designed, constructed or used for the purpose of:

(1) collecting and amplifying local and distant broadcast television or radio signals and distributing and transmitting them;

(2) transmitting original cablecast programming not received through television broadcast signals;

(3) transmitting television pictures, film and video-tape programs, not received through broadcast television signals, whether or not encoded or processed to permit reception by only selected receivers;

(4) transmitting and receiving all other signals: digital, voice and audio-visual:

provided, however, that any of the services, permitted hereunder to be performed, as described above, shall be those performed by the Grantee for subscribers, as herein defined, in the operation of a cable television or CATV system franchised by the City and not otherwise.

COMMENT: There are two kinds of cable television systems which the Federal Communications Commission exempts from its requirement for certification: (1) those serving fewer than fifty subscribers; and (2) those in apartment houses under common ownership, management and control, together with the commercial establishments located therein.

This suggested ordinance, therefore, would not require franchising of any system which serves only the residents, without respect to number, of any one or more apartment buildings, and the commercial establishments therein, under common ownership, management and control, and located on a single parcel or adjoining parcels, and not involving the use of streets.

With respect to mobilehome park and condominium systems, the Federal Communications Commission requires their certification when they serve more than fifty subscribers.

Where mobilehome park and condominium systems use the streets, local franchises will be required, without respect to the number of subscribers. Such systems, however, may use private streets, offered for public dedication; when such private street dedications are accepted by the city, a franchise will be required.

(k) **"Gross receipts,"** as used in the following categories, shall mean any and all compensation, in whatever form, grant, subsidy, exchange, or otherwise, directly or indirectly received by a grantee, not including any taxes or services furnished by the Grantee imposed directly on any subscriber or user by a city, county, state or other governmental unit, and collected by the Grantee for such entity.

(l) **"Gross Annual Basic Subscriber Receipts"** shall mean any and all compensation and other consideration received directly or indirectly by the Grantee from subscribers in payment of the regularly furnished service of the cable television system in the transmission of broadcast television, radio signals and original cablecast programming of the Grantee.

(m) **"Gross Annual Non-basic Service Receipts"** shall mean any and all compensation and other consideration received directly or indirectly by the Grantee from subscribers or users in payment for the receipt of signals other than broadcast television, radio, or original cablecast programming of the Grantee, whether for "pay television," "facsimile" transmission, "return" or "response" communication, and whether or not transmitted encoded or processed to permit reception by only selected subscribers.

(n) **"Gross Annual Advertising Receipts"** shall mean any income, compensation and other consideration received by Grantee derived from any form of advertising.

(o) **"Gross Annual Lease Receipts"** shall mean any fees or income received by Grantee for the lease or rental, and compensation for any service in connection therewith, such as studio and equipment rental and production costs, of any channel permitted or designated by the Federal Communications Commission to be so leased or rented.

COMMENT: The Federal Communications Commission has defined four (4) categories of cable television use. Two of these (Class I and Class II) constitute the basic subscriber service consisting of retransmission of radio and television broadcast signals and original, unscrambled cablecasting delivered to all subscribers for a uniform charge.

The franchising procedure, herein suggested, is an exercise of the city's authority, under its police powers, to permit cable television systems to use public streets, and to fix the conditions of any such permitted use. Consequently, the city (without regard to Federal Communications Commission's authority to certify cable television systems) can either deny the franchise or grant it only for the purpose of transmitting of radio and television broadcast signals, or for any or none of the additional uses set forth in these definitions.

It is only with respect to the financial aspect of these "regularly furnished" services that the Commission has attempted regulation.

As to the rates (charges) for these regularly furnished services, the Commission permits their exclusive regulation by local franchising authorities under its suggested standard that they be "fair to the system and to the subscribing public."

As to the franchise fee (the local percentage of such rates) the Commission states that they "shall be reasonable (e.g., in the range of 3-5% of the franchisee's gross subscriber revenues per year from cable television operations in the community, including all forms of compensation, such as initial lump sum payments.)"

These categories of cable television use are clearly defined. Since the Commission attempts to regulate only the fee based upon the regularly furnished subscriber rates, it is strongly recommended that the local franchising authority adopt these definitions of other functions which cable television systems may be allowed to perform under local franchises.

Section 2 – Franchise to install and operate.

(a) A non-exclusive franchise to install, construct, operate, and maintain a cable television system on streets within all or a specific portion of the City may be granted by the Council to any person, whether operating under an existing franchise, who or which offers to furnish and provide such system under and pursuant to the terms and provisions of this ordinance.

No provision of this ordinance may be deemed or construed as to require the granting of a franchise when in the opinion of the Council it is in the public interest to restrict the number of Grantees to one or more.

(b) When and in the event that the Grantee of any franchise granted hereunder uses in his cable television system distribution channels furnished to the Grantee by a telephone company pursuant to tariff or contract on file with a regulatory body having jurisdiction and said Grantee makes no use of the streets independent of such telephone company-furnished facilities, said Grantee shall be required to comply with all of the provisions hereof as a "Licensee" and in such event whenever the term "Grantee" is used herein it shall be deemed to mean and include "Licensee."

COMMENT: By the inclusion of the definition of "Franchise," this procedural ordinance is adaptable for use in granting any type of cable television permit to operate, whether in terms of a "Franchise" or a "License," the two alternatives set forth in Section 53066, Government Code.

The language of subsection (b) above, is provided to meet any objection to the grant of a "Franchise" when telephone company facilities are to be used exclusively by the cable system Grantee. In this case, it is preferable that the cable television grant be made in terms of a "License;" the "Franchise" term is preferable in all other cases.

In any event, both provisions clearly distinguish the cable television grant from the ordinary business license

and negate any assertion that it is amenable only to less restrictive provisions of a city business license tax ordinance.

Section 3 – Cable television service.

(a) **Basic Service.** The cable television system permitted to be installed and operated hereunder shall:

(1) be operationally capable of relaying to subscriber terminals those television and radio broadcast signals for the carriage of which the Grantee is now or hereafter authorized by the Federal Communications Commission;

(2) be constructed with the potential of two-way digital signal transmission;

(3) distribute color television signals which it receives in color;

(4) provide at least one (1) channel, without charge, for exclusive use of the City;

(5) provide at least one (1) channel each for those educational and public access uses as now or hereafter required by the Federal Communications Commission for systems operating in the top 100 markets;

(6) have a minimum capacity of _____ channels.

COMMENT: A minimum 20 channel capacity is required by FCC of systems in the major markets. (See Appendix B for listing of the top-100 markets.)

Cities outside the major markets may also specify a minimum channel capacity of 20 channels.

All cities may specify the access channels mandated by FCC for major market systems.

> *"In our rules dealing with channel capacity, our goal was to insure that cable systems in major markets would not underbuild. We urge cable operators and franchising authorities to consider that future demand may significantly exceed current projections, and we put them on notice that it is our intention to insist on the expansion of cable systems to accommodate all reasonable demands. We believe this consideration to be controlling and find it difficult to believe that cable operators will not carry all the broadcast signals available to them."*
>
> *"We believe that our requirement for expansion of channel capacity will insure that cable systems will be constructed with sufficient capacity. However, if a local governmental entity considers that greater channel capacity is needed than is required under the rules, we would not foreclose a system from meeting local requirements upon a demonstration of need for such channel capacity and the system's ability to provide it. A similar question has been raised with respect to two-way capability. We find no reason why a cable operator wishing to experiment with a more sophisticated two-way capability than that which we have required should be precluded from doing so. However, we do not believe that franchising authorities should require more than we have provided for in our rule because it is possible that any such requirement will exceed the state of the art or place undue burdens on cable operators in this stage of cable development in the major markets. Where a franchising authority has a plan for actual use of a more sophisticated two-way capability and the cable operator can demonstrate its feasibility both practically and economically we will consider, in the certificating process, allowing such a requirement."*(23)

The minimum channel requirements of the Federal Communications Commission are:

(1) for systems in the top 50 markets "a minimum service quota" of three (3) network and three (3) independent stations;

---

(23) op. cit., Fed. Reg., p. 13858, par. 79, ff. 25.

(2) for the next 50 markets "the minimum service quota" is three (3) network and two (2) independent stations.

All systems in the top 100 markets must provide a minimum twenty (20) channel capacity with an additional channel 6 MHz in width suitable for transmission of Class II or Class III signals for each broadcast signal carried.

These top 100 market systems must also be so constructed as to be able to provide two-way communication capacity and, for each broadcast channel carried, an additional channel for local government, for educational institutions and for "public access." After having provided these channels, these systems shall offer other unused portions of their non-broadcast bandwidth, including unused portions of the specially designated channels, for leased access services.

Systems in the lesser market areas must carry three (3) network stations and one (1) independent station and are prohibited from importing more, although they may carry educational and foreign language stations, absent station owner objection.

All systems in all markets, having more than 3,500 subscribers must originate cablecasting and provide a channel for that purpose.

It is important to note that the requirement for the special access channels is imposed by the Federal Communications Commission only on those systems operating in the major markets. But, cities in the lesser markets may require these same access channels, but are prohibited from assigning such channels for purposes other than those specified, and may not require more special access channels than FCC demands in major market areas.

Channel capacity, therefore, is for local determination since the Federal standards are minimal. Consequently, cities in the smaller market areas can require that number of channels sufficient to provide two-way capability; original cablecasting; network, independent, educational and foreign language television retransmission; and the types of access channels required in the major market areas.

Finally, all cities should require sufficient channel capacity to meet market demands for channel leasing.

(b) **Non-basic services.** The cable television system permitted to be installed and operated hereunder, may also engage in the business of:

(1) transmitting original cablecast programming not received through television broadcast signals;

(2) transmitting television pictures, film and video-tape programs, not received through broadcast television signals, whether or not encoded or processed to permit reception by only selected receivers or subscribers;

(3) transmitting and receiving all other signals: digital, voice and audio-visual.

(c) **Subscriber complaints.** In addition to other service regulations adopted by the Council, and excepting circumstances beyond Grantee's control, such as Acts of God, riots and civil disturbances, and in providing the foregoing services, the Grantee shall:

(1) limit system failures to minimum time duration by locating and correcting malfunctioning promptly, but in no event longer than twenty-four (24) hours after occurrence, irrespective of holidays or other non-business hours.

(2) upon complaint by a subscriber, make a demonstration satisfactory to the chief administrative officer that a signal is being delivered which is of sufficient strength and quality to meet the standards set forth in the regulations of the Federal Communications Commission, or in regulations hereafter adopted by the Council;

(3) render efficient service, making repairs promptly and interrupting service only for good cause and

for the shortest time possible. Planned interruptions, insofar as possible, shall be preceded by notice given to subscribers twenty-four (24) hours in advance and shall occur during periods of minimum use of the system.

(4) maintain an office in the city, which office shall be open during all the usual business hours, with its telephone listed in directories of the telephone company serving the city, and be so operated that complaints and requests for repairs or adjustments may be received at any time, day or night, seven days a week.

COMMENT: Where the Grantee operates in other areas, the Council may eliminate the local office requirement providing, instead, for the telephone directory listing and for "toll-free" telephone service maintained on a seven-day, twenty-four (24) hour basis.

(5) maintain a written record, or "log," listing date of customer complaints, identifying the subscriber and describing the nature of the complaint, and when and what action was taken by Grantee in response thereto; said record shall be kept at Grantee's local office, for a period of five (5) years from the date when the system is first energized, and shall be available for inspection during regular business hours, without further notice or demand, by the chief administrative officer.

COMMENT: The foregoing is a minimal customer service requirement. Many ordinances and franchises contain more specific, detailed language concerning "outages" of service and provide penalty refunds to subscribers for failure to correct faulty transmission or for service interruption. This can be covered by the adoption of additional rules and regulations as provided in the suggested ordinance (Section 11).

(d) **Municipal service.**

(1) With respect to the local government channel, the Grantee shall provide, at the request of the chief administrative officer, and upon City reimbursement of Grantee's actual cost, use of Grantee's studio, equipment and technical services for production of live and video-tape municipal programs, subject to scheduling requirements of the Grantee;

(2) With respect to the basic television services, the Grantee shall provide all subscriber services, and a tie-in connection, without cost, when the system passes such facilities and as designated by the Council, to

(i) public schools and community colleges within the City, and

(ii) buildings owned and controlled by the City, used for public purposes and not for residential use (fire and police stations excepted.)

(e) **Compatibility and connectibility.**

(1) It is the desire of the City that all cable television systems franchised hereunder shall, insofar as financially and technically possible, be compatible one with another and with systems adjacent to the City.

(2) Wherever it is financially and technically feasible, the Grantee shall so construct, operate and modify the system so as to tie the same into all other systems within and adjacent to the City.

COMMENT: Among other criteria to be considered in awarding the franchise, cities should consider the compatibility of proposed systems with those adjacent to the city and those already franchised within the city.

(f) **Uses permitted.** Any franchise granted pursuant to the provisions of this ordinance shall authorize and permit the Grantee to engage in the business of operating and providing a cable television system in the City, and for that purpose to erect, install, construct, repair, replace, reconstruct, maintain and retain in, on, over, under, upon, across and along any street, such poles, wires, cable, conductors,

ducts, conduit, vaults, manholes, amplifiers, and appliances, attachments, and other property as may be necessary and appurtenant to the cable television system; and, in addition, so to use, operate, and provide similar facilities or properties rented or leased from other persons, firms or corporations, including but not limited to any public utility or other Grantee franchised or permitted to do business in the City.

Section 4 – Franchise payments.

(a) In consideration of the granting and exercise of a franchise to use the streets, as herein defined, for the operation of a cable television system, any Grantee shall pay to the City, during the life of the franchise the following:

(1) a percentage of its Gross Annual Basic Subscriber Receipts;

(2) a percentage of its Gross Annual Non-basic Service Receipts;

(3) a percentage of its Gross Annual Advertising Receipts;

(4) a percentage of its Gross Annual Lease Receipts.

(b) The percentage payments shall be made in the manner, amounts and at times directed in said franchise or in a Council resolution fixing franchise fees and adopting rules for service and rate regulation.

COMMENT: This suggested ordinance provides a breakdown of franchise fees in accordance with those services of cable television systems defined in the new Federal Communications Commission regulation. Although no specific mention is made therein of Federal limitations on advertising or lease receipts, nevertheless, these are franchised commercial activities which should be subject to franchise fee payment. But, referring to its control of advertising insertions on origination cablecasting programs, the Commission, significantly, commented:

> *"At this stage, however, we have not received enough information in this experimental area to enable us to ascertain the likely source and extent of a cable operator's revenues. It may be, for instance, that the revenues derived from leased operations will more than suffice to offset whatever losses are incurred as a result of our advertising limitations on the origination cablecasting channel. It is too early to determine. We expect to be watching developments in the non-broadcast area closely and, should it become necessary or desirable, we will revisit this problem."*(24)

The Federal Communications Commission's 3% limitation applies only to the regularly furnished subscriber services defined, in this suggested ordinance, as "basic subscriber services." Where this fee exceeds 3% of the franchisee's gross subscriber revenues, the cable television system will not receive Federal Communications Commission certification until the reasonableness of the fee is approved by the Commission on showings, by the system, that it will not interfere with the effectuation of Federal regulatory goals in the field of cable television, and, by the City, that is is appropriate in light of the City's planned regulatory program.

But, the Federal Communications Commission envisions "a future for cable in which the principal services, channel uses, and potential sources of income will be from other than 'over-the-air' signals." This, too, is the position of the League Committee in endorsing segregation of these other sources of income from conventional re-transmissions and mandated cablecasting.

For general law cities, however, there is the limitation spelled out in Government Code Section #53066:

> *"The maximum franchise fee for any franchise or license hereafter awarded pursuant to this section or pursuant to any ordinance adopted under authority of this section by any city or county or city and county shall be 5% of the Grantee's gross receipts from its operations within such city or county or city and county."*

(24) op. cit., Fed. Reg., p. 13857, par. 71.

This limitation is not applicable to charter cities, but the League committee strongly recommends that cities avoid the imposition of unreasonable and confiscatory fee payments in categories (2), (3) and (4) above.

While the Government Code limits general law cities to 5% of the Grantee's gross receipts, this is a cumulative limitation, not applicable to each category here suggested. Thus, various percentage fees may not exceed, in total, the 5% limitation.

Even if the city decides on a maximum of 3% for all services, or on all gross receipts, it is recommended that the fees by separately assigned to the services defined therein to preserve the city's right to later rate changes, as provided in the suggested ordinance.

(c) The City shall have the right to inspect the Grantee's revenue records under the franchise and the right of audit and recomputation of any and all amounts payable under this ordinance; the cost of said audit shall be borne by Grantee when the same results in increasing, by more than 2%, the Grantee's annual payment to the City.

(d) No acceptance of any payment shall be construed as a release or as an accord and satisfaction of any claim the City may have for further or additional sums payable under this ordinance or for the performance of any other obligation hereunder.

Section 5 – Franchise term: duration and termination.

(a) The franchise granted by the Council under this ordinance shall be for a term of fifteen (15) years from the date of its acceptance by the Grantee.

COMMENT: Federal Communications Commission franchising standards (Sec. 76.31-a-3) state that, for federal certification, the initial franchise period shall not exceed fifteen (15) years and any renewal franchise period shall be of "reasonable" duration.

> *"While there may be situations where a 15-year franchise period is inappropriate, it appears to be a reasonable point of departure. Because our requirement of 'reasonable duration' seems to have confused some parties, we have decided that our rules should more directly reflect the statements made in the report and have therefore now set 15 years as the standard to be followed."*(25)

In view of the uncertainty of the Commission's position respecting renewals, however, no renewal procedure is suggested; rather, the city should notify the Grantee, at least one year in advance of expiration, of its intention to seek new proposals. Preference, of course, should be given to the Grantee who has provided satisfactory service and up-graded the system, during his franchise term, offering improved and additional services consistent with increased technological development.

This situation is further complicated by the following Commission observation:

> *"Questions have been also received by the Commission regarding our power to require a cable system to remain operational during a period when the operator's local franchise has expired and a new applicant has been selected by the locality. The problem arises in cases where the operator holds the potential threat of stopping service if he does not get a franchise renewal and refuses to sell or lease the existing plant to the new franchise holder, be it another private party or the city. We do not at this time intend to extend our requirements for a certificate of compliance to cover this potential problem, but would strongly recommend that local officials include specific 'buy-back' or continuation of service provisions in their franchises. If we find at a later date that this is still a recurring problem we may well then include such requirements in our rules to protect the public's right to continuity of service."*(26)

---

(25) op. cit., Fed. Reg., p. 13862, par. 111.

(26) op. cit., Fed. Reg., p. 13862, par 113.

This suggested ordinance provides two alternatives to meet this problem: (1) exercise the power of eminent domain with request for immediate possession on filing the required bond; and (2) terminate the franchise under this section.

(b) The City may terminate any franchise granted pursuant to the provisions of this ordinance in the event of the willful failure, refusal or neglect by Grantee to do or comply with any material requirement or limitation contained in this ordinance, or any material rule or regulation of the Council or chief administrative officer validly adopted pursuant to this ordinance.

(c) The chief administrative officer may make written demand that the Grantee do or comply with any such requirement, limitation, term, condition, rule or regulation. If the failure, refusal or neglect of the Grantee continues for a period of thirty (30) days following such written demand, the chief administrative officer may place his request for termination of the franchise upon the next regular Council meeting agenda. The chief administrative officer shall cause to be served upon such Grantee, at least ten (10) days prior to the date of such Council meeting, a written notice of his intent to request such termination, and the time and place of the meeting, notice of which shall be published by the city clerk at least once ten (10) days before such meeting in a newspaper of general circulation within the city.

(d) The Council shall consider the request of the chief administrative officer and shall hear any persons interested therein, and shall determine, in its discretion, whether or not any failure, refusal or neglect by the Grantee was with just cause.

(e) If such failure, refusal or neglect by the Grantee was with just cause, the Council shall direct the Grantee to comply within such time and manner and upon such terms and conditions as are reasonable.

(f) If the Council shall determine such failure, refusal or neglect by the Grantee was without just cause, then the Council may, by resolution, declare that the franchise of such Grantee shall be terminated and forfeited unless there be compliance by the Grantee within such period as the Council may fix.

(g) The termination and forfeiture of any franchise shall in no way effect any of the rights of the City under the franchise or any provision of law.

(h) In the event of any holding over after expiration or other termination of any franchise granted hereunder, without the prior consent of the City, expressed by resolution, the Grantee shall pay to the City reasonable compensation and damages, of not less than one hundred percent (100%) of its gross revenue during said period.

Section 6 – Applications for franchise.

(a) Each application for a franchise to construct, operate, or maintain any cable television systems in this City shall be filed with the City Clerk and shall contain or be accompanied by the following:

(1) The name, address, and telephone number of the applicant;

(2) A detailed statement of the corporate or other business entity organization of the applicant, including but not limited to, the following and to whatever extent required by the City:

(i) The names, residence and business addresses of all officers, directors, and associates of the applicant.

(ii) The names, residence and business addresses of all officers, persons and entities having, controlling, or being entitled to have or control of 5% or more of the ownership of the applicant and the respective ownership share of each such person or entity.

(iii) The names and addresses of any parent or subsidiary of the applicant, namely, any other business entity owning or controlling applicant in whole or in part or owned or controlled in whole or in part by the applicant, and a statement describing the nature of any such parent or subsidiary business entity, including but not limited to cable television systems owned or controlled by the applicant, its parent and subsidiary and the areas served thereby.

(iv) A detailed description of all previous experience of the applicant in providing cable television system service and in related or similar fields.

(v) A detailed and complete financial statement of the applicant, prepared by a certified public accountant, for the fiscal year next preceding the date of the application hereunder, or a letter or other acceptable evidence in writing from a recognized lending institution or funding source, addressed to both the applicant and the Council, setting forth the basis for a study performed by such lending institution or funding source, and a clear statement of its intent as a lending institution or funding source to provide whatever capital shall be required by the applicant to construct and operate the proposed system in the City, or a statement from a certified public accountant, certifying that the applicant has available sufficient free, net and uncommitted cash resources to construct and operate the proposed system in this City.

(vi) A statement identifying, by place and date, any other cable television franchise(s) awarded to the applicant, its parent or subsidiary; the status of said franchise(s) with respect to completion thereof; the total cost of completion of such system(s); and the amount of applicant's and its parent's or subsidiary's resources committed to the completion thereof.

COMMENT: The League's survey disclosed a substantial number of franchises where construction was delayed or deferred due to other construction commitments of the franchisee which are not necessarily disclosed by financial statements or resource commitments.

The Federal Communications Commission now requires that the franchising process examine not only the applicant's legal, character, financial, technical and other qualifications, but also the adequacy and feasibility of its construction arrangements.

(b) A detailed description of the proposed plan of operation of the applicant which shall include, but not be limited to, the following:

(1) A detailed map indicating all areas proposed to be served, and a proposed time schedule for the installation of all equipment necessary to become operational throughout the entire area to be served.

(2) A statement or schedule setting forth all proposed classifications of rates and charges to be made against subscribers and all rates and charges as to each of said classifications, including installation charges and service charges.

(3) A detailed, informative, and referenced statement describing the actual equipment and operational standards proposed by the applicant. In no event shall said operational and performance standards be less than those contained in Title 47, Subpart K (Sections 76.601 et seq.), Rules and Regulations, Federal Communications Commission, adopted February 2, 1972, and as amended.

COMMENT: The Federal Communications Commission standards are set forth in the appendix.[27] *Many California franchises contain more detailed and higher standards. Palo Alto's engineering consultants have suggested standards also set forth in the appendix.*[28]

(4) A copy of the form of any agreement, undertaking, or other instrument proposed to be entered into between the applicant and any subscriber.

(5) A detailed statement setting forth in its entirety any and all agreements and undertakings, whether formal or informal, written, oral, or implied, existing or proposed to exist between the

---

(27) See Appendix D.

(28) See Appendix E.

applicant and any person, firm, or corporation which materially relate or pertain to or depend upon the application and the granting of the franchise.

(d) A copy of any agreement covering the franchise area, if existing between the applicant and any public utility subject to regulation by the California Public Utilities Commission providing for the use of any facilities of the public utility, including but not limited to poles, lines, or conduits.

(e) Any other details, statements, information or references pertinent to the subject matter of such application which shall be required or requested by the Council, or by any provision of any other Ordinance of the City (and of its Charter.).

(f) An application fee in the sum of $_____, which shall be in the form of cash, certified or cashier's check, or money order, to pay the costs of studying, investigating, and otherwise processing such application, and which shall be in consideration thereof and not returnable or refundable in whole or in part, except to the extent that such fee exceeds the actual costs incurred by the City in studying, investigating and otherwise processing the application; provided, that any applicant who shall deliver to the City Clerk a written withdrawal of or cancellation of any application hereunder, not later than the seventh (7th) day next following the day such application is received by the City Clerk, shall be entitled to have returned and refunded the sum of $_____, less any actual costs or expenses incurred by the City by reason of such application.

(g) The Council may, by advertisement or any other means, solicit and call for applications for cable television system franchises, and may determine and fix any date upon or after which the same shall be received by the City, or the date before which the same must be received, or the date after which the same shall not be received, and may make any other determinations and specify any other times, terms, conditions, or limitations respecting the soliciting, calling for, making and receiving of such applications.

The Grantee shall pay to the City a sum of money sufficient to reimburse it for all publication expenses incurred by it in connection with the granting of a franchise pursuant to the provisions of this ordinance. Such payment shall be made within thirty (30) days after the City furnishes the Grantee with a written statement of such expenses.

(h) Upon receipt of any application for franchise, the Council shall refer the same to the chief administrative officer who shall prepare a report and make his recommendations respecting such application, and cause the same to be completed and filed with the Council within _____ days.

(i) In making any determination hereunder as to any application the Council may give due consideration to the quality of the service proposed, rates to subscriber, income to the City, experience, character, background, and financial responsibility of any applicant, and its management and owners, technical and performance quality of equipment, willingness and ability to meet construction and physical requirements, and to abide by policy conditions, franchise limitations and requirements, and any other considerations deemed pertinent by the Council for safeguarding the interests of the City and the public. The Council, in its discretion, shall determine the award of any franchise on the basis of such considerations and without competitive bidding.

If the Council shall determine to reject such application, such determination shall be final and conclusive, and the same shall be deemed rejected.

(j) If the Council shall determine to further consider the application, the following shall be done:

(1) The Council shall decide and specify the terms and conditions of any franchise to be granted hereunder and as herein provided.

(2) The Council shall pass its resolution of intention to consider the granting of such a franchise, giving notice of receipt of the application, and describing the character of the franchise desired, stating the name of the proposed Grantee, the character of the franchise, the terms and conditions upon which such franchise is proposed to be granted, that copies of the proposed franchise may be obtained at the office of the City Clerk, fixing and setting forth a day, hour, and place certain when and where any persons having any interest therein or objection to the granting thereof may file written protests and appear before the Council and be heard, and directing the City Clerk to publish said resolution at least once within ten (10) days of the passage thereof in a newspaper of general circulation within the City.

(k) At the time set for the hearing, or at any adjournment thereof, the Council shall proceed to hear all written protests. Thereafter, the Council shall make one of the following determinations:

(1) That such franchise be denied; or

(2) That such franchise be granted upon the terms and conditions as specified in the resolution of intention to grant the same; or

(3) That such franchise be granted, but upon the terms and conditions different from those specified in the resolution of intention to grant the same.

(l) If the Council shall determine that a franchise be denied such determination shall be expressed by resolution and shall be final and conclusive.

If the Council shall determine that a franchise be granted upon the terms and conditions as specified in the resolution of intention to consider granting the same, such determination shall be expressed by ordinance granting a franchise to the applicant.

If the Council shall determine upon granting a franchise upon terms and conditions different from those specified in the resolution of intention to consider granting the same, then such determination shall be expressed by resolution adopted prior to granting a franchise by ordinance.

Section 7 – Bonds: Indemnifications; Insurance.

(a) **Performance Bond to City**. Upon being granted a franchise, and upon the filing of the acceptance required under Section 8 hereof, the Grantee shall file with the City Clerk and shall thereafter, annually, during the entire term of such franchise, maintain in full force and effect a corporate surety bond or other adequate surety agreement in such amount and kind as shall have been approved by the Council. The bond or agreement shall be so conditioned that in the event that Grantee shall fail to comply with any one or more of the provisions of this ordinance or of such franchise, then there shall be recoverable jointly and severally from the principal and surety any damages or loss, or costs suffered or incurred by the City as a result thereof, including attorneys' fees and costs of any action or proceeding, and including the full amount of any compensation, indemnification, cost of removal or abandonment of any property or other costs which may be in default, up to the full principal amount of such bond. Said condition shall be a continuing obligation during the entire term of such franchise and thereafter until Grantee shall have satisfied in full any and all obligations to the City which arise out of or pertain to said franchise. Neither the provisions of this Section, nor any bond accepted by the City pursuant hereto, nor any damages recovered by the City thereunder shall be construed to excuse faithful performance by the Grantee, or limit the liability of the Grantee under any franchise issued pursuant to this ordinance or for damages either to the full amount of the bond, or otherwise.

COMMENT: Provision should be made for a declining bond figure, related to the exposure of the City from the initial acceptance of the franchise to completion of construction, with a fixed amount annually thereafter.

(b) **Performance Bond for Subscribers.** Upon being granted a franchise, and upon filing of the acceptance required under Section 8 hereof, the Grantee shall file, annually, with the City Clerk and shall thereafter during the entire term of such franchise maintain in full force and effect a corporate surety bond, or other adequate surety agreement, in the amount as shall have been approved by the Council. The bond or agreement shall be so conditioned that in the event such Grantee shall fail to comply with any one or more of the provisions of any agreement or undertaking made between Grantee and any subscriber, then there shall be recoverable jointly and severally from the principal and surety any damages or costs suffered or incurred by any subscriber as a result thereof, including reasonable attorneys' fees and costs of any action or proceeding. Said condition shall be a continuing obligation during the entire term of such franchise and thereafter until Grantee shall have satisfied in full any and all obligations to any subscriber which arise out of or pertain to any such agreement or undertaking.

COMMENT: Provision should here be made for a reduction of the original bond amount where, over some reasonable period, e.g., two years, the Grantee's service is clearly satisfactory.

(c) **Hold Harmless Agreement.** Grantee shall indemnify and hold harmless the City, its officers, boards, commissions, agents, and employees, against and from any and all claims, demands, causes of actions, actions, suits, proceedings, damages (including but not limited to damages to City property and damages arising out of copyright infringements, and damages arising out of any failure by Grantee to secure consents from the owners, authorized distributors or licensees of programs to be delivered by Grantee's cable television system), costs or liabilities (including costs or liabilities of the City with respect to its employees), of every kind and nature whatsoever, including but not limited to damages for injury or death or damage to person or property, and regardless of the merit of any of the same, and against all liability to others, and against any loss, cost, and expense resulting or arising out of any of the same, including any attorney fees, accountant fees, expert witness or consultant fees, court costs, per diem expense, traveling and transportation expense, or other costs or expense arising out of or pertaining to the exercise or the enjoyment of any franchise hereunder by Grantee, or the granting thereof by the City.

(d) **Defense of Litigation.** Grantee shall at the sole risk and expense of Grantee, upon demand of the City, made by and through the City Attorney, appear in and defend any and all suits, actions, or other legal proceedings, whether judicial, quasi-judicial, administrative, legislative, or otherwise, brought or instituted or had by third persons or duly constituted authorities, against or affecting the City, its officers, boards, commissions, agents, or employees, and arising out of or pertaining to the exercise or the enjoyment of such franchise, or the granting thereof by the City.

Grantee shall pay and satisfy and shall cause to be paid and satisfied any judgment, decree, order, directive, or demand rendered, made or issued against Grantee, the City, its officers, boards, commissions, agents, or employees in any of these premises; and such indemnity shall exist and continue without reference to or limitation by the amount of any bond, policy of insurance, deposit, undertaking or other assurance required hereunder, or otherwise; provided, that neither Grantee nor City shall make or enter into any compromise or settlement of any claim, demand, cause of action, action, suit, or other proceeding, without first obtaining the written consent of the other.

(e) **Insurance Required.** Upon being granted a franchise, and upon the filing of the acceptance required under Section 8 hereof, the Grantee shall file with the City Clerk and shall thereafter during the entire term of such franchise maintain in full force and effect at its own cost and expense each of the following policies of insurance:

(1) General Comprehensive Liability Insurance in the amount of $_____, together with Bodily Injury Liability Insurance in an amount not less than $_____ for injuries including accidental death, to any one person, and subject to the same limit for each person in an amount not less than $_____ on account of any one occurrence, and Property Damage

Liability Insurance in an amount not less than $_____ resulting from any one occurrence; provided, however, as follows:

(i) The City shall be named as an additional insured in any of said insurance policies; and

(ii) Where such insurance is provided by a policy which also covers Grantee or any other entity or person, it shall contain the standard cross-liability endorsement.

Section 8 – Acceptance of the Franchise.

(a) No franchise granted under this ordinance shall become effective for any purpose unless and until written acceptance thereof shall have been filed with the City Clerk. Written acceptance, which shall be in the form and substance approved by the City Attorney, shall also be and operate as an acceptance of each and every term and condition and limitation contained in this ordinance, or in such franchise, or otherwise specified as herein provided.

(b) The written acceptance shall be filed by the Grantee not later than 12:01 o'clock P.M. of the fortieth (40th) day next following the effective date of the ordinance granting such franchise.

(c) In default of the filing of such written acceptance as herein required, the Grantee shall be deemed to have rejected and repudiated the franchise. Thereafter, the acceptance of the Grantee shall not be received nor filed by the City Clerk. The Grantee shall have no rights, remedies, or redress in the premises, unless and until the Council, by resolution, shall determine that such acceptance be received or filed, and then upon such terms and conditions as the Council may impose.

(d) In any case, and in any instance, all rights, remedies and redress in these premises which may or shall be available to the City, shall at all times be available to the City, and shall be preserved and maintained and shall continuously exist in and to the City, and shall not be in any manner or means modified, abridged, altered, restricted, or impaired by reason of any of these premises, or otherwise.

(e) Any franchise granted and accepted under this ordinance shall be in lieu of any and all other rights, privileges, powers, immunities, and authorities owned, possessed, controlled, or exercisable by the Grantee, of or pertaining to the construction, operation, or maintenance of any cable television systems in the City.

Section 9 – Limitations of franchise.

(a) Every franchise granted under this chapter shall be non-exclusive.

(b) No privilege or exemption shall be granted or conferred by any franchise granted under this chapter except those specifically prescribed herein.

(c) Any privilege claimed under any such franchise by the Grantee in any street or other public property shall be subordinate to any prior lawful occupancy of the streets or other public property.

(d) Any such franchise shall be a privilege to be held in personal trust by the original Grantee. It cannot in any event be sold, transferred, leased, assigned or disposed of, in whole or in part, either by forced or involuntary sale, or by voluntary sale, merger, consolidation or otherwise, without prior consent of the Council expressed by resolution, and then only under such conditions as may therein be prescribed. Any such transfer or assignment shall be made only by an instrument in writing, such as a bill of sale, or similar document, a duly executed copy of which shall be filed in the office of the City Clerk within thirty (30) days after any such transfer or assignment. The said consent of the Council may not be unreasonably refused; provided, however, the proposed assignee must show financial responsibility as determined by the Council and must agree to comply with all provisions of this ordinance; and provided, further, that no such consent shall be required for a transfer in trust, mortgage, or other hypothecation, in whole or in part, to secure an indebtedness, except that when such hypothecation

shall exceed 50% of the market value of the property used by the franchisee in the conduct of the cable television system, prior consent of the Council shall be required for such a transfer. Such consent shall not be withheld unreasonably.

In the event that Grantee is a corporation, prior approval of the City Council, expressed by ordinance, shall be required where there is an actual change in control or where ownership of more than 50% of the voting stock of Grantee is acquired by a person of group of persons acting in concert, none of whom already own 50% of more of the voting stock, singly or collectively. Any such acquisition occurring without prior approval of the City Council shall constitute a failure to comply with a provision of this ordinance within the meaning of Section 5 of this ordinance.

(e) Time shall be of the essence of any such franchise granted hereunder. The Grantee shall not be relieved of his obligation to comply promptly with any of the provisions of this ordinance by any failure of the City to enforce prompt compliance.

(f) Any right or power in, or duty impressed upon, any officer, employee, department, or board of the City shall be subject to transfer by the City to any other officer, employee, department, or board of the City.

(g) The Grantee shall have no recourse whatsoever against the City for any loss, cost, expense, or damage arising out of any provision or requirement of this ordinance or of any franchise issued hereunder or because of its enforcement.

(h) The Grantee shall be subject to all requirements of City laws, rules, regulations, and specifications heretofore or hereafter enacted or established.

(i) Any such franchise granted shall not relieve the Grantee of any obligations involved in obtaining pole or conduit space from any department of the City, utility company, or from others maintaining utilities in streets.

(j) Any franchise granted hereunder, shall be in lieu of any and all other rights, privileges, powers, immunities, and authorities owned, possessed, controlled, or exercisable by Grantee, or any successor to any interest of Grantee, of or pertaining to the construction, operation, or maintenance of any cable television system in the City; and the acceptance of any franchise hereunder shall operate, as between Grantee and the City, as an abandonment of any and all of such rights, privileges, powers, immunities, and authorities within the City, to the effect that, as between Grantee and the City, and all construction, operation and maintenance by any Grantee of any cable television system in the City shall be, and shall be deemed and construed in all instances and respects to be, under and pursuant to said franchise, and not under or pursuant to any other right, privilege, power, immunity, or authority whatsoever.

Section 10 – Rights reserved to the City.

(a) Nothing herein shall be deemed or construed to impair or affect, in any way, to any extent, the right of the City to acquire the property of the Grantee, either by purchase or through the exercise of the right of eminent domain, at a fair and just value, which shall not include any amount for the franchise itself or for any of the rights or privileges granted, and nothing herein contained shall be construed to contract away or to modity or abridge, whether for a term or in perpetuity, the City's right of eminent domain.

(b) There is hereby reserved to the City every right and power which is required to be herein reserved or provided by any law, and the Grantee, by its acceptance of the franchise, agrees to be bound thereby and to comply with any action or requirements of the City in its exercise of such rights or power, heretofore or hereafter enacted or established.

(c) There is hereby reserved to the City the power to amend any section of this ordinance so as to require additional or greater standards of construction, operation, maintenance or otherwise, on the part of the Grantee to reflect technical and economic changes occuring during the franchise term, and to enable the City and the Grantee to take advantage of new developments in the cable television industry so as to more effectively, efficiently and economically serve the public.

(d) Neither the granting of any franchise nor any provision hereof shall constitute a waiver or bar to the exercise of any governmental right or power of the City.

(e) The Council may do all things which are necessary and convenient in the exercise of its jurisdiction under this ordinance and may determine any question of fact which may arise during the existence of any franchise granted hereunder. The chief administrative officer, with the approval of the City Attorney, is hereby authorized and empowered to adjust, settle, or compromise any controversy or charge arising from the operations of any Grantee under this ordinance, either on behalf of the City, the Grantee, or any subscriber, in the best interest of the public. Either the Grantee or any member of the public who may be dissatisfied with the decision of the chief administrative officer may appeal the matter to the Council for hearing and determination. The Council may accept, reject or modify the decision of the chief administrative officer, and the Council may adjust, settle or compromise any controversy or cancel any charge arising from the operations of the Grantee of from any provision of this ordinance.

Section 11 – Council to adopt rules and regulations.

(a) **Standards of Operation**

(1) Prior to receiving any applications for franchises, the Council may adopt rules, regulations and standards governing the operation of cable television systems in the City. Such rules, regulations and standards shall apply to and shall govern the operations of the Grantee of any franchise hereunder, and are expressly declared a part of any franchise hereunder.

(2) Rules, regulations and standards not adopted prior to receiving any application for a franchise shall be adopted by the Council at the first regular meeting of the Council next following the effective date of this ordinance, by resolution which shall become effective upon adoption and shall be applicable to any application for a franchise previously received.

(3) The standards adopted shall govern the engineering, construction, installation, service, and maintenance of all cable television systems in the City, including but not limited to standards governing carrier levels, signal-to-noise ratios, hum modulation, distortion levels, channel interactions and inter-reactions.

(4) Provided the same do not materially alter the content of the franchise without consent of the Grantee, the Council may at any time adopt new rules or regulations or standards, or may amend, modify, delete, or otherwise change its respective rules or regulations or standards previously adopted, in the following manner: The Council shall pass its resolution of intention stating or describing the rules or regulations or standards to be adopted, amended, modified, deleted, or otherwise changed, and fixing and setting forth a day, hour, and place certain when and where any persons having any interest therein or objection thereto may appear before the Council and be heard. Such resolution shall direct the City Clerk to publish the same at least once within ten (10) days of the passage thereof in a newspaper of general circulation within the City, and to mail a copy of the same to any Grantee or applicant for a franchise, not more than thirty (30) days nor less than fifteen (15) days prior to the time fixed for hearing thereon.

At the time set for such hearing, or at any adjournment thereof, the Council shall proceed to hear and pass upon such comments as may be presented. Thereafter, the Council, by its resolution, may adopt, amend, modify, delete, or otherwise change its respective rules, regulations and standards. Such determination by the Council shall be final and conclusive.

Any rule or regulation or standard as adopted, amended, modified, deleted, or otherwise changed by the Council shall become effective upon the tenth (10th) day following the adoption of such resolution, unless a longer period shall be otherwise provided in such resolution.

(b) **Rates**

(1) Prior to granting any franchise hereunder the Council, by resolution, shall establish and fix all rates and charges for the Basic Service, herein defined, allowable to Grantee, such as:

(i) charges for installation;

(ii) subscriber rates;

(iii) service charges for separate classifications of service (e.g., additional connections, etc.)

Once established, such rates or charges shall not be changed at any time after granting of a franchise, except after due notice and hearing as provided herein.

(2) Rates and charges for services, other than the Basic Service, shall also be approved by the Council by resolution, after due notice and hearing as provided herein.

(3) In connection with any proposed change of any rates or charges of Grantee to subscribers initiated by Grantee, or the approval of rates for additional services, at any time after the granting of a franchise, the Council may direct the chief administrative officer of the City to conduct a preliminary hearing into the matter. If so directed by the Council, the chief administrative officer shall issue his written notice fixing and setting forth the day, hour, and place certain when and where any persons having any interest therein may appear and be heard.

The City Clerk shall cause such notice to be published in a newspaper of general circulation within the City. The City Clerk also shall cause a copy of such notice to be mailed to any Grantee at least ten (10) days prior to the date specified for the hearing. At the time set for such hearing, or at any adjournment thereof, the chief administrative officer shall proceed to hear the matter. Following the close of such hearing, the chief administrative officer shall prepare and file with the City Council his report of the hearing, his findings and an opinion containing his recommendations and the reasons therefore. After the expiration of ten (10) days following receipt of the chief administrative officer's report and opinion, and if no objection has been filed thereto, the Council shall determine whether to adopt the opinion or to hold a further hearing, and shall pass its resolution of intention to do so, describing and stating any rates or charges to be changed, the reasons of the Council therefor, fixing and setting forth a day, hour, and place certain when and where any persons having any interest therein may appear before the Council and be heard. Such resolution shall direct the City Clerk to publish the same resolution at least once within ten (10) days of the passage thereof in a newspaper of general circulation within the City. The City Clerk also shall cause a copy of such resolution to be mailed to the Grantee at least ten (10) days prior to the date specified for hearing thereon.

At the time set for any further hearing, or at any adjournment thereof, the Council shall proceed to hear the matter.

If upon receipt of report and opinion, and the expiration of said ten (10) days without objection, or following the holding of a further hearing, if the Council determines to do so, the Council shall find that the changing of any rates or charges of Grantee to subscribers will be fair to the system operator and not detrimental or injurious to the best interests and welfare of the subscribers and users, and of the City, then the Council, by resolution, shall authorize the change of rates or charges of Grantee to subscribers and users as determined. Such resolution shall thereupon become and shall be a part of any franchise granted hereunder and affected thereby.

(4) Neither the Council nor the Grantee shall, as to rates, charges, service, service facilities, rules, regulations, or in any other respect, make or grant any preference or advantage to any person, nor subject any person to prejudice or disadvantage.

Section 12 – Permits and construction.

(a) Within thirty (30) days after acceptance of any franchise, the Grantee shall proceed with due diligence to obtain all necessary permits and authorizations which are required in the conduct of its business, including, but not limited to, any utility joint use attachment agreements, microwave carrier licenses, and any other permits, licenses and authorizations to be granted by duly constituted regulatory agencies having jurisdiction over the operation of cable television systems, or associated micro-wave transmission facilities.

In connection therewith, copies of all petitions, applications and communications submitted by the Grantee to the Federal Communications Commission, Securities and Exchange Commission, or any other federal or state regulatory commission or agency having jurisdiction in respect to any matters affecting Grantee's cable television operations, shall also be submitted simultaneously to the chief administrative officer.

(b) Within ninety (90) days after obtaining all necessary permits, licenses and authorizations, including right of access to poles and conduits, Grantee shall commence construction and installation of the cable television system.

(c) Within one hundred eighty (180) days after the commencement of construction and installation of the system, Grantee shall proceed to render service to subscribers, and the completion of the installation and construction shall be pursued with reasonable diligence thereafter, so that service to all of the areas designated and scheduled on the map and plan of construction made part of the franchise shall be provided as set forth therein.

COMMENT: New cable television franchises will be required, by the Federal Communications Commission, to provide that franchisees shall accomplish construction within one (1) year after receiving Commission certification and shall thereafter equitably and reasonably extend energized trunk cable to a substantial percentage of the franchise area each year, as determined by the City.

As a general proposition, the Commission expressed the view that construction should be required to proceed at the rate of 20% of the franchise area per year.

Therefore, it is important that the Grantee's plan for construction be included both in the applications and in the franchise, with definite areas and dates for completion of construction.

(d) Failure on the part of the Grantee to commence and diligently pursue each of the foregoing requirements and to complete each of the matters set forth herein, shall be grounds for termination of such franchise. By resolution, the Council, in its discretion, may extend the time for the commencement and completion of installation and construction for additional periods in the event the Grantee, acting in good faith, experiences delays by reason of circumstances beyond his control.

By acceptance of the franchise granted hereunder, Grantee agrees that failure to comply with any time requirements referred to in subsections (a), (b) and (c) of this section will result in damage to the City, and that it is and will be impracticable to determine the actual amount of such damage in the event of delay; and Grantee therefore agrees that, in addition to any other damage suffered by City, he will pay to City the sum of $_____ per day for each and every day's delay beyond the time prescribed, plus authorized extensions thereof, for completion of any of the acts required to be done by this section.

COMMENT: Liquidated damage provisions are recommended because of the impracticality of determining upon actual damage to the City by delay (not default) of the Grantee in performance; thus, any sum inserted here must be estimated. However, city attorneys are advised to consider the effect of Smith, Inc. v. the City of Lakeport, et al. (3 Civ. 12877, April 18, 1972–Court of Appeal, 3rd Dist.), certified for non-publication.

It is suggested that consideration be given to the Grantee's total construction commitment in cost and time for completion, to arrive at a liquidated damage figure which, in fact, would be that of Grantee's corporate surety in the event of default.

Consideration should also be given to apportionment of the liquidated damages in relation to the degree of completion of construction, a proportional percentage in relation to the remaining percentage of construction.

(e) Grantee shall utilize existing poles, conduits, and other facilities whenever possible, and shall not construct or install any new, different, or additional poles, conduits, or other facilities whether on public property or on privately-owned property unless and until first securing the written approval of the chief administrative officer.

Whenever Grantee shall not utilize existing poles, conduits and other facilities, or whenever existing conduits and other facilities shall be located beneath the surface of the streets, or whenever the City shall undertake a program designed to cause all conduits and other facilities to be located beneath the surface of the streets in any area or throughout the City, in the exercise of its police power or pursuant to the terms hereof, upon reasonable notice to Grantee, any such conduits or other facilities of Grantee shall be constructed, installed, placed, or replaced beneath the surface of the streets. Any construction, installation, placement, replacement, or changes which may be so required shall be made at the expense of Grantee, whose costs shall be determined as in the case of public utilities.

(f) The City shall have the right, free of charge, to make additional use, for any public or municipal purpose, whether governmental or proprietary, of any poles, conduits, or other similar facilities erected, controlled, or maintained exclusively by or for Grantee in any street, provided such use by City does not interfere with the use by Grantee.

(g) In those areas of the City where the transmission or distribution facilities of the respective public utilities providing telephone, communication and electric services are underground, or hereafter are placed underground, the Grantee likewise shall construct, operate and maintain all of his transmission and distribution facilities underground. The term "underground" shall include a partial underground system; provided, that upon obtaining the written approval of the chief administrative officer, amplifiers in the Grantee's transmission and distribution lines may be placed in appropriate housings upon the surface of the ground.

(h) The Grantee at his expense shall protect, support, temporarily disconnect, relocate, or remove any property of Grantee when, in the opinion of the chief administrative officer the same is required by reason of traffic conditions, public safety, street vacation, freeway or street construction, change or establishment of street grade, installation of sewers, drains, waterpipes, power line, signal line, transportation facilities, tracks, or any other types of structure or improvements by governmental agencies whether acting in a governmental or a proprietary capacity, or any other structure or public improvement, including but not limited to movement of buildings, urban renewal and redevelopment, and any general program under which the City shall undertake to cause all such properties to be located beneath the surface of the ground. The Grantee shall in all cases have the privilege, subject to the corresponding obligations, to abandon any property of Grantee in place, as herein provided. Nothing hereunder shall be deemed a taking of the property of Grantee, and Grantee shall be entitled to no surcharge by reason of anything hereunder.

(i) Upon the failure, refusal, or neglect of Grantee to cause any work or other act required by law or hereunder to be properly completed in, on, over, or under any street within any time prescribed therefor, or upon notice given, where no time is prescribed, the chief administrative officer may cause such work or other act to be completed in whole or in part, and upon so doing shall submit to Grantee an itemized statement of the costs thereof. The Grantee shall, within thirty (30) days after receipt of such statement, pay to the City the entire amount thereof.

(j) In the event that,

(1) the use of any part of the system of Grantee is discontinued for any reason for a continuous period of thirty (30) days, without prior written notice to and approval by the City; or

(2) any part of such system has been installed in any street or other area without complying with the requirements hereof; or

(3) any franchise shall be terminated, cancelled, or shall expire, then the Grantee shall, at the option of the City, and at the expense of Grantee and at no expense to the City, and upon demand of the City, promptly remove from any streets or other area all property of Grantee, and Grantee shall promptly restore the street or other area from which such property has been removed to such condition as the chief administrative officer shall approve.

The Council may, upon written application therefor by Grantee, approve the abandonment of any of such property in place by Grantee and under such terms and conditions as the Council may prescribe. Upon abandonment of any such property in place, Grantee shall cause to be executed, acknowledged, and delivered to the City such instruments as the City Attorney shall prescribe and approve, transferring and conveying the ownership of such property to the City.

Section 13 – Miscellaneous provisions.

(a) A franchise granted to provide service within the City shall authorize and permit the Grantee to solicit, sell, distribute, and make a charge to subscribers within the City for connection to the cable television system of Grantee, and shall also authorize and permit the Grantee to traverse any portion of the City in order to provide service outside the City.

(b) A franchise, easement, license or other permit granted to anyone other than the Grantee to traverse any portion of the City in order to provide service outside the City shall not authorize nor permit said person to solicit, sell, distribute, or make any charge to subscribers within the City, nor to render any service or connect any subscriber within the City to the cable television service system of Grantee.

(c) No franchise granted under this ordinance shall ever be given any value by any Court or other authority, public or private, in any proceeding of any nature or character, wherein or whereby the City shall be a party or affected therein or thereby.

(d) Grantee shall be subject to all provisions of the other ordinances, rules, regulations, and specifications of the City heretofore or hereafter adopted, including but not limited to those pertaining to works and activities in, on, over, under and about streets.

Any privilege claimed under any franchise granted pursuant to this ordinance in any street or other public property shall be subordinate to any prior lawful occupancy of the streets or other public property.

Grantee also shall be subject to the provisions of general laws of the State of California, or as hereafter amended, when applicable to the exercise of any privilege contained in any franchise granted under this ordinance, including but not limited to those pertaining to works and activities in and about State highways.

(e) Grantee shall be prohibited from directly or indirectly doing any of the following:

(1) engaging in the business of selling at retail, leasing, renting, repairing or servicing of television sets or radios;

(2) imposing a fee or charge for any service or repair to subscriber-owned receiving devices except for the connection of its service or for the determination by Grantee of the quality of its signal to the recipients thereof;

(3) soliciting, referring, or causing or permitting the solicitation or referral of any subscriber to persons engaged in any business herein prohibited to be engaged in by Grantee.

(4) providing information concerning the viewing patterns of identifiable individual subscribers to any person, group or organization for any purpose.

(f) If the Federal Communications Commission or the Public Utilities Commission of the State of California or any other Federal or State body or agency shall now or hereafter exercise any paramount jurisdiction over the subject matter of any franchise granted under this ordinance, then to the extent such jurisdiction shall preempt or preclude the exercise of like jurisdiction by the City the jurisdiction of the City shall cease and no longer exist.

The preemption or preclusion of the exercise by the City of any of its police power shall not diminish, impair, alter, or affect any contractual benefit to the City or Grantee nor any contractual obligation of the Grantee under any franchise issued hereunder.

Any and all minimum standards governing the operation of Grantee and any and all maximum rates, ratios, and charges specified herein or in any franchise issued hereunder, existing now and at any time in the future, including such time as any paramount jurisdiction shall preempt or preclude that of the City, and any and all rights, powers, privileges, and authorities of the City to determine, establish, or fix any of the same, are each and all hereby declared by the City and by any Grantee accepting any franchise hereunder to be contractual in nature and to be for the benefit of the City.

(g) When not otherwise prescribed herein, all matters herein required to be filed with the City shall be filed with the City Clerk.

(h) No person, firm or corporation within the service area of the Grantee, and where trunk lines are in place, shall be refused service; provided, however, that the Grantee shall not be required to provide service to any subscriber who does not pay the applicable connection fee or service charge.

(i) Before providing cable television service to any subscriber, the Grantee shall provide a written notice to the subscriber substantially as follows:

"Subscriber is hereby notified that in providing cable television service the Grantee is making use of public rights-of-way within the City of _____ and that the continued use of such rights-of-way is in no way guaranteed. In the event the continued use of such rights-of-way is denied to Grantee for any reason, Grantee will make every reasonable effort to provide service over alternate routes. By accepting cable television service, subscriber agrees he will make no claim nor undertake any action against the City of _____, its officers, or its employees if the service to be provided hereunder is interrupted or discontinued."

(j) The form of the Grantee's contract with the subscriber shall also be subject to approval of the City.

Section 14 – Equal opportunity employment and affirmative action plan.

In the carrying out of the construction, maintenance and operation of the cable television system, the Grantee shall not discriminate against any employee or applicant for employment because of race, creed, color, sex, or national origin.

The Grantee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Grantee shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

The Grantee shall, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, or national origin.

The Grantee shall incorporate the foregoing requirements in all of its contracts for work relative to construction, maintenance and operation of the cable television system, other than contracts for standard commercial supplies or raw materials, and shall require all of its contractors for such work to incorporate such requirements in all subcontracts for such work.

COMMENT: Cable television systems, operating under certification by the Federal Communications Commission, are now required to file Annual Employment Reports (FCC Form 395) showing, among other things, employment and training of minorities.

Many California cities have adopted, by ordinance, a municipal policy on this subject requiring that all city contracts include a commitment by the contractor to an affirmative program of employment and training of minorities and disadvantaged. For those cities, inclusion of this policy may be accomplished by reference to such ordinance. For cities without an Affirmative Action Ordinance, this section is suggested.

Section 15 – Violations

(a) From and after the effective date of this ordinance, it shall be unlawful for any person to construct, install or maintain within any public street in the City, or within any other public property of the City, or within any privately-owned area within the City which has not yet become a public street but is designated or delineated as a proposed public street on any tentative subdivision map approved by the City, any equipment or facilities for distributing any television signals or radio signals through a cable television system, unless a franchise authorizing such use of such street or property or area has first been obtained pursuant to the provisions of this ordinance, and unless such franchise is in full force and effect.

(b) It shall be unlawful for any person, firm or corporation to make or use any unauthorized connection, whether physically, electrically, acoustically, inductively or otherwise, with any part of a franchised cable television system within this City for the purpose of enabling himself or others to receive or use any television signal, radio signal, picture, program or sound, without payment to the owner of said system.

(c) It shall be unlawful for any person, without the consent of the owner, to wilfully tamper with, remove or injure any cables, wires or equipment used for distribution of television signals, radio signals, pictures, programs or sound.

Section 16 – Severability.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held illegal, invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions hereof. The Council hereby declares that it would have passed this

ordinance and each section, sub-section, sentence, clause, and phrase hereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared illegal, invalid or unconstitutional. The invalidity of any portion of this ordinance shall not abate, reduce or otherwise affect any consideration or other obligation required of the Grantee of any franchise granted hereunder.

Section 17 – Effective Date.

This ordinance shall become effective thirty (30) days from and after its passage.

III. AN ORDINANCE OF THE CITY OF _____ GRANTI' G A FRANCHISE FOR A CABLE TELEVISION SYSTEM TO _____

The City Council of _____ does ordain as follows:

Section 1.

This ordinance is enacted pursuant to the authority provided in, and all the provisions, terms and conditions of Ordinance No. _____, entitled, "An Ordinance of the City of _____ _____ Establishing a Procedure for the Granting of Franchises for Cable Television Systems," passed and adopted on _____, full and complete copies of which are on file in the office of the City Clerk.

Section 2.

Pursuant to the provisions of said Ordinance No. _____, a Franchise (or License),* to construct, operate and maintain a cable television system within the area specifically described and delineated on the maps filed with the application as required by Section 5 of said Ordinance, for a term of fifteen (15) years, is hereby granted to _____ (a corporation, partnership, etc.), herein referred to as Grantee (or Licensee), with all the rights and privileges and subject to each and all of the terms and conditions of said Ordinance and Grantee's (or Licensee's) application.

Section 3.

Pursuant to the provisions of said Ordinance No. _____, the following schedule of rates and charges filed as required by Section 6 of said ordinance is hereby approved: (insert rate schedule)

Grantee (or Licensee) shall charge its subscribers and users the rates and charges in accordance with the foregoing schedule and no increase therein may be made without the prior approval of the City Council expressed by resolution.

Section 3 (alternate).*

Pursuant to the provisions of said Ordinance No. _____, the Grantee (or Licensee) shall charge its subscribers and users the rates and charges approved by the City Council in its Resolution No. _____, and no increase therein may be made with the prior approval of the City Council expressed by resolution.

Section 4.

Pursuant to the provisions of Section 4 of said Ordinance, Grantee (or Licensee) shall, during the term hereof pay to the City the following sums and in the manner specified by the City Council in its Resolution No. _____:

(1) _____% of its Gross Annual Basic Subscriber Receipts;

(2) _____% of its Gross Annual Non-basic Service Receipts;

(3) _____% of its Gross Annual Advertising Receipts;

(4) _____% of its Gross Annual Lease Receipts.

---

* See Franchise procedure ordinance, Section 2, subd. (b).

* To be used if the Council elects not to include the schedule of rates and charges in this ordinance, after having adopted the schedule by resolution.

Section 5.

The cable television system herein franchised (or licensed) shall be used and operated solely and exclusively for the purpose expressly authorized by ordinance of the City of _____ and no other purpose whatsoever.

Section 6.

This ordinance shall become effective thirty (30) days from and after its passage; provided, however, that the franchise (or license) hereby granted shall not become effective unless and until Grantee (or Licensee) files written acceptance thereof and an agreement to be bound by and comply with all of the requirements thereof, and delivers to the City the bond and insurance policies required to be furnished, all pursuant to the provision of Section 7 of said Ordinance No. _____.

APPENDIX A

ANALYSIS OF CATV SURVEY, April, 1972

(Mailed to 407 California cities, 332 responses)

Status of CATV Franchising

Cities with franchised cable operators	273
Cities with franchised cable operations NOT responding to survey	43
Cities with no franchising ordinance	35
City franchise ordinances submitted and reviewed	134

Franchise limitations

Exclusive franchises	19
Reservation of power to amend	111
City option to purchase (distinguished from eminent domain)	43*

Specific system requirements

Two-way capacity	22
Local government channel	61
Educational channel	105
Public access channel	59
Repair and maintenance service	128

City approval required for:

Transfer; merger; stockholder change; operating lease	42
Transfer; merger; stockholder change	2
Transfer; merger; operating lease	4
Transfer; merger	21
Transfer; stockholder change	5
Merger; stockholder change	1
Transfer (generally)	15
Rate change	147

*Questionable: Some respondents did not distinguish eminent domain powers from purchase options. Review of ordinances submitted, however, discloses approximately twenty (20) cities with clear options to purchase or cost-free acquisition of the system on expiration of the franchise term.

APPENDIX A (cont'd) *

Range of Minimum Annual CATV Franchise
Fee Payments to California Cities

Amount	Cities	Amount	Cities
$ 120	1	$ 2,000	1
300	1	2,400	2
400	1	2,500	2
500	1	3,000	1
600	4	3,600	3
792	1	5,000	5
800	3	8,000	1
900	2	12,500	1
1,200	80	14,000	1
1,800	2	333,000	1

Several cities have provided for minimum annual CATV franchise fee payments, variously accelerated as follows:

From	1st to 5th year	$ 1,200	–	$10,000
	1st to 5th year	1,500	–	7,000
	-0- to 3rd year	00	–	2,300
	1st to 3rd year	2,500	–	7,500
	1st to 4th year	5,000	–	20,000
	1st to 11th year	5,000	–	50,000
	1st to 3rd year	15,000	–	30,000
	1st to 3rd year	15,000	–	40,000
	1st to 6th year	35,000	–	60,000

Franchise Terms

Years	No. of Cities
10	23
15	29
20	109
25	12
30	4
40	1
50	1
Indeterminate	2

* From League Survey

APPENDIX A (cont'd)*

Range of Franchise Fees in California Cities

Minimum		Maximum	
Percentage	No. of Cities	Percentage	No. of Cities
1.0	4	2.0	66
2.0	7	3.0	16
3.0	25	4.0	12
3.5	1	5.0	88
4.0	9	5.25	1
5.0	83	5.5	2
8.0	3	6.0	2
10.0	2	7.0	1
12.0	1	8.0	3
		10.0	2
		25.0	1
		30.0	1

Note: This range includes cities with a fixed percentage rate, and those with rates increasing over the term of the franchise.

APPENDIX B

This Appendix contains information assembled from the League Survey, CATV Systems Directory and other sources (as noted below) showing all incorporated California cities; their market area in relation to the FCC designation of the Top 100 Markets (#1 indicates Markets 1-50; and #2 indicates Markets 51-100); Federal 1970 Census; channel requirements of the ordinance or franchise; number of subscribers; installation fee and monthly rates; the franchised company; and year when the franchise was granted. Cities designated by asterisk (*) have forwarded ordinances, franchise, and special CATV studies.

In the Federal Register, Vol. 37, No. 30, February 12, 1972, California markets are ranked as follows:

1. **First 50 Major Television Markets:**

   Los Angeles – San Bernardino – Corona – Fontana;
   San Francisco – Oakland – San Jose;
   Sacramento – Stockton – Modesto
   San Diego

2. **Second 50 Major Television Markets:**

   Fresno

(Market designations courtesy of Mr. John Atwood, of Theta Cable of California.)

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Adelanto*	'71		1,656	12		17.95	6.95	United Cablevision, Inc.
Alameda	--		70,968					
Albany*	'69		14,000			-0-	4.50	Cablecon-Gen. of N. Calif.
Alhambra*	--	1	62,125	25	22,000			
Alturas	'57		2,799	12	1,370	10.00	5.00	Nor Cal Cablevision, Inc.
Amador	--		156					
Anaheim*	--	1	166,701	50				
Anderson*	'66		5,492	7		15.00	5.00	Finer Living, Inc.
Angels Camp*	'70		1,710	12		19.50	5.50	Valley Vision, Inc.
Antioch	'65	1	28,060	13	10,568	25.00	5.00	Tele Vue Systems
Arcadia	'68	1	42,868	12		19.95	5.95	TelePrompter of Sierra Madre
Arcata	'68		8,985	7	1,072	19.95	5.95	Humboldt Bay Video Corp.
Arroyo Grande	'64		7,454	12	1,900	29.95	5.95	Central Calif. Comm. Corp.
Artesia	--		14,757					
Arvin	'70		5,199	12	570	10.00	6.00	Tehachapi Cable TV Corp.
Atherton	--		8,085					
Atwater*	'65		11,955			19.50	4.95	Gen. Electronic Cablevision Corp.
Auburn	'71		6,570	13	3,500	15.00	4.25	Televents of Placer County
Avalon	--		1,520					
Azusa	--	1	25,217					
Bakersfield*	'65		69,515	12	12,390		5.25	Bakersfield Cable TV, Inc.
Baldwin Park	'71	1	47,285	12		10.00	5.00	Theta Cable of Calif.
Banning	--		12,034	8	1,400	10.00	5.40	Storer Cable TV, Inc.
Barstow	'69		17,442	9	8,500	-0-	6.95	Continental Transmission Corp.
Beaumont	--		5,484	12		10.00	5.40	Storer Cable TV, Inc.
Bell	--		21,836					
Bellflower	--	1	51,454					
Bell Gardens*	'71	1	29,308	19				Theta Cable of Calif.
Belmont*	'66	1	23,667	19		25.00	4.75	Peninsula Cable TV Corp.
Belvedere	'67		2,599	12	485	25.00	5.00	Tele-Vue Systems, Inc.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Benicia	--		8,783	12	1,520		4.25	Cablecom General of Northern Calif.
Berkeley*	'68	1	116,716	26	1,700	-0-	4.70	Bay Cablevision, inc.
Beverly Hills*	'70	1	33,416	20	3,980	19.50	5.00	Theta Cable of California
Biggs	--		1,115					
Bishop	'67		3,498	12	2,100	10.00	6.50	Continental Transmission Corp.
Blue Lake	--		1,112					
Blythe*	'68		7,047	12	1,262	-0-	5.95	Continental Transmission Corp.
Bradbury	'69		1,098	7	2,559	15.00	5.95	International Cable TV
Brawley	'67		13,476	11		15.00	7.50	Imperial Valley Cable Co.
Brea*	'71		18,447				4.95	Cablecom-General of S. Calif.
Brentwood	--		2,649	12		10.00	5.00	Triangle Cable Co.
Brisbane	'69		3,003	22		6.00	4.00	Brisbane Cable TV, Inc.
Buena Park	--	1	63,646					
Burbank	--	1	88,871	20	3,000	12.50	5.25	National Trans-Video, Inc.
Burlingame	--	1	27,320					
Calexico	--		10,625			-0-	7.50	Imperial Valley Cable Co.
California City*	71		1,309	20	250	12.50	6.95	Desert Video, Inc.
Calipatria	--		1,824					
Calistoga*	'66		1,882	12	806	10.00	5.00	Storer Cable TV, Inc.
Camarillo	--		19,219	8		50.00	6.00	Clarity TV, Inc.
"								Capps TV Electronics
Campbell*	'72	1	24,770	24		10.00	5.95	San Jose Cable TV & Affiliates
Capitola	'62		5,080	12		-0-	4.50	Central Calif. Comm. Corp.
Carlsbad	--		14,944					
Carmel	'69		4,525	16	5,000	15.00	5.50	Western Communications, Inc.
"								Monterey Peninsula TV Cable
Carpinteria	--		6,982					
Carson*	--	1	72,358	20	1,364			Carson Cable Television
Ceres*	'67		6,029	12		14.95	4.95	Ceres Cable Co.
Cerritos*	--		15,859					
Chico	--		19,580	12	7,600	19.95	4.50	State TV Cable
Chino	--		20,411	7	4,227	0.99	4.95	

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Chowchilla	'71	2	4,349	7		10.00	5.95	Coachella Valley Television
Chula Vista*	'67	1	67,901	12	9,000	11.25	5.50	Mission Cable TV
Claremont	--		23,464					
Clayton*	--		1,385					
Cloverdale	--		3,251	12		75.00	7.50	H.C.G. Cablevision
Clovis	'67	2	13,856	20		15.00	4.50	Fresno Cable TV Co.
Coachella	'60		8,353	12		25.00	6.95	Coachella Valley Cablevision
Coalinga	--		6,161	10	1,202	25.00	6.95	
Colfax	--		798					
Colma	--		537					
Colton	--		19,974					
Colusa	--		3,842	12		24.50	5.00	Nor Cal Cablevision, Inc.
Commerce	--		10,536					
Compton	--	1	79,611					
Concord*	--	1	85,423	12	17,450		4.65	Concord TV Cable
Corcoran	--		2,249					
Corning	'64		3,573	6	6,000	15.00	5.70	State TV Cable, Inc.
Corona*	'72	1	27,519	12	750	10.00	5.00	Corona Cablevision, Inc.
Coronado*	'66		20,910					Southwestern Cable Co.
Corte Madera*	'65		8,464	20	2,706	25.00	5.00	Tele-Vue Systems, Inc.
Costa Mesa	--	1	72,660					
Cotati	'68		1,368	11	261	10.00	4.75	Storer Cable TV, Inc.
Covina	'71	1	30,380	20		9.95	4.95	Nationwide Cablevision, Inc.
Crescent City	--		2,586					Harry's Mt. Television Cable Co.
Cudahy	--		16,998					
Culver City*	--	1	34,526					
Cupertino	--		18,216					
Cypress	--	1	31,026					
Daly City*	--	1	66,922	20	525		6.25	Vista Grand Cablevision
Davis	'68	1	23,488					

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchise Company
Delano*	'67		14,599	12	2,104	9.95	4.75	Kern Cable Co.
Del Mar	--	1	3,956					
Del Rey Oaks	'63		1,823	12	354	10.00	4.50	Ocean View Cablevision
Desert Hot Springs	--		2,738					Video Communications
Dinuba	--	2	7,917					
Dixon	'68		4,432	20		25.00	5.00	Calif. Antenna TV, Inc.
Dorris*	--		840					
Dos Palos*	'72		2,496	7		10.00	4.95	Televents of Calif., Inc.
Downey	--	1	88,445					
Duarte	--		14,981	12	200	5.95	5.95	International Cable TV
Dunsmuir	--		2,214	5				Yreka TV Co., Inc.
El Cajon	'61	1	52,273	12	10,000	11.25	5.50	Mission Cable TV, Inc.
El Centro	'61	1	19,272	12	9,200	-0-	7.50	Imperial Valley Cable Co.
El Cerrito*	'71	1	25,190	12		-0-	3.25	El Cerrito Video Systems
El Monte	--	1	69,837					
El Segundo*	'71		15,620			19.50	5.50	Theta Cable of California
Elsinore*	'71		3,530	12		12.00	6.50	Cable Meter System of California
Emeryville	--		2,681					
Escalon	--		2,366					
Escondido	'65	1	36,792	12	10,297	10.00	4.55	Escondido Cable TV
Etna	--		667	5	75	15.00	3.50	Etna Fort Jones TV
Eureka*	'66		24,337			19.75	5.50	Humboldt Bay Video Co.
Exeter	--		4,475					
Fairfax*	'70		7,661	12	1,402	25.00	5.50	Clear View Cable Systems, Inc.
Fairfield*	'71	1	44,146	20	133	-0-	4.75	Storer Cable TV, Inc.
Farmersville	--		3,456					
Ferndale	--		1,352					
Fillmore	'65		6,285	12	2,194	15.00	5.00	Storer Cable TV, Inc.
Firebaugh	--	2	2,517					
Folsom	--		5,810					

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Fontana	--		20,673			10.00	6.50	Redwood Cablevision, Inc.
Fort Bragg	'60		4,455	12	2,114	-0-	6.50	Seamore Cable TV Co.
Fort Jones	--		515	5	75	15.00	3.50	Etna Fort Jones TV
Fortuna	'70		4,203	9		14.95	5.50	
Foster City	--		11,784	12	1,000	19.95	4.50	Foster City Cablevision
Fountain Valley*	'70	1	31,829					
Fowler	--	2	2,239					
Fremont*	--	1	100,869	20	250	-0-	5.70	Fremont Cable TV
Fresno*	'66	2	165,972					Time-Life
Fullerton*	'71	1	85,826	25		10.00	5.50	Cable Com General
Galt	--		3,200					
Gardena	--	1	41,021					
Garden Grove	'68	1	122,524	20		5.50+	5.25	International Cable Tele. Corp.
Gilroy	'66		12,665	7	2,300	10.00	4.75	Gilroy Cable TV
Glendale*	'67	1	132,752	20	6,300	12.50	5.50	National Trans Video Inc.
Glendora	--	1	31,349	12	1,800	10.00	5.95	International Cable TV Corp.
Gonzales	--		2,575					KCA Cable TV Industries
Grass Valley*	'64		5,149	13	2,200	5.50	5.50	Golden Hills Cable TV
Greenfield	'68		2,608	6		-0-	4.50	KCA Cable TV Industries
Gridley*	'68		3,534					
Grover City	--		5,939	12		11.95	4.75	Central Calif. Comm. Corp.
Guadalupe	--		3,145					TelePrompter
Gustine	--		2,793					
Half Moon Bay	--		4,023	12		25.00	5.50	Crystal-Brite Television
Hanford	'68	2	15,179	12		15.00	4.80	Hanford Cable Co., Inc.
Hawaiian Gardens	--		8,811					
Hawthorne	--	1	53,304					
Hayward*	'72	1	93,058	14		15.00	5.45	LVO Cable of Hayward, Inc.
Healdsburg*	'67		5,438	12	2,500	10.00	5.00	H.C.G. Cablevision, Inc.
Hemet	--		12,252	12	2,600	10.00	5.00	Riverside Cable Co.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Hercules	--		252					
Hermosa Beach	--		17,412	12	2,265			Storer Cable TV
Hidden Hills	--		1,529					
Hillsborough	--		8,753					
Hollister*	'69		7,663	6	500	-0-	4.25	Hollister Cable TV
Holtville	'60		3,496	12	9,200	-0-	7.50	Imperial Valley Cable Co.
Huntington Beach	--	1	115,960					
Huntington Park	--	1	33,744					
Huron	--		1,525					
Imperial	--		3,094			-0-	7.50	Imperial Valley Cable
Imperial Beach	--	1	20,244	24			6.50	Mission Cable TV
Indian Wells	--		760	12		25.00	6.95	Coachella Valley Television
Indio	'60		14,459	12		25.00	6.95	Coachella Valley Television
Industry	--		714					
Inglewood*	'72	1	89,985	22		20.00	5.00	Theta Cable
Ione	--		2,369	12		15.00	5.00	Angier Appliance
Irvine	--			13	1,400	10.00	5.00	Community Cablevision Co.
Irwindale	--		784					
Isleton	--		909					
Jackson	--		2,924	13	200	19.50	5.50	Valley Vision, Inc.
Kerman	--	2	2,667					
King City*	'68		3,717	12	900	12.50	5.60	S. Monterey County CATV
Kingsburg	--	2	3,843					
Lafayette	--		20,484	12	13,396	25.00	5.50	Cable-Vision
Laguna Beach	--		14,550	12	5,664			Storer Cable TV, Inc.
La Habra*	'70	1	41,350	12	111	10.00	4.95	Cablecom-General, Inc.
Lakeport*	'71		3,005					
Lakewood*	'66	1	82,973					
La Mesa	'63		39,178	12	4,900	11.25	5.50	Mission Cable TV, Inc.
La Mirada	'70	1	39,808			-0-	4.95	Cablecom General of S. Calif.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
La Palma	--		9,687					
La Puente	--	1	31,092	12		25.00	5.00	
Larkspur	'64		10,487	12	2,063	25.00	5.00	Tele-Vue Systems, Inc.
La Verne	--		12,965					
Lawndale*	--		24,825					
Lemoore	--	2	4,219	12	3,802	25.00	5.00	Tele-Vue Systems, Inc.
Lincoln	--		3,176					
Lindsay	--		5,206					
Live Oak	--		2,645					
Livermore*	'65	1	37,703	11	4,688	25.00	5.00	Tele-Vue Systems, Inc.
Livingston	--		2,588					
Lodi*	'68	1	28,691	11	4,500	15.50	4.95	Lodi Cable TV
Loma Linda	'71		11,679	20		10.00	5.95	Tele-Communications, Inc.
Lomita	--		19,784					
Lompoc	'63		25,284	11	4,643	-0-	4.50	Lompoc Valley Cable TV, Inc.
Long Beach	'66	1	358,633	11	3,400	10.00	5.50	Long Beach Cablevision
Los Alamitos	--		11,346					
Los Altos	--	1	24,956					
Los Altos Hills	--		6,865					
Los Angeles*	--	1	2,814,152	12	26,000	19.50	5.00	Theta Cable of California
Los Banos*	'70		9,188	12		10.00	4.95	Los Banos Cable TV Co.
Los Gatos	'68	1	23,735	20	5,500	9.95	5.00	TelePromprter of Los Gatos
Loyalton*	'71		945	12		25.00	5.00	Loyalton Comm. Antenna
"								Feather River
Lynnwood	--	1	43,353					
Madera	'67	2	16,044			15.00	4.80	Fresno Cable TV Co.
Manhattan Beach*	69	1	35,352					Storer Cable TV
Manteca	--		13,845					
Maricopa	--		740	5				Mission TV Systems
Martinez*	'52	1	16,506	12	8,000	10.00	4.95	Televents of Calif, Inc.
Marysville*	'68		9,353	12	2,337	24.50	5.00	Bi-Cities Cable Co.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Maywood*	--		16,996					
McFarland*	'67		4,177	11	514	-0-	4.75	Kern Cable Co.
Mendota	--	2	2,705					Peninsula TV Power, Inc.
Menlo Park*	'69	1	26,832	20		-0-	5.50	Peninsula TV Power, Inc.
Merced	'65		22,670	15		19.50	4.95	General Electric Cablevision Corp.
Millbrae*	'69		20,920	20		-0-	4.75	Nation Wide TV
Mill Valley*	'66		12,942	12		-0-	5.00	Tele-Vue Systems, Inc.
Milpitas	'68	1	27,149	21	2,341	-0-	4.50	Milpitas Cable TV, Inc.
Modesto*	'68	1	61,712	20	3,000	-0-	3.95	Cablecom-General of Modesto
Monrovia*	'69	1	30,015	12	321	5.95	5.95	International Cable TV Corp.
Montague	--		890					
Montclair*	'71	1	22,546	13	5,000	19.50	5.50	Theta Cable of California
Montebello	'67	1	42,807	20	500	5.95	5.95	Nation Wide Cablevision, Inc.
Monterey*	'61		26,302	9		15.00	5.50	Monterey Peninsula TV Cable
Monterey Park	--	1	49,166	20	895			Nation Wide Cablevision, Inc.
Monte Sereno*	'71		3,089	32		9.95	5.00	TelePrompter Corp.
Morgan Hill	'68		6,485	20	886	-0-	4.75	Nation Wide Cablevision, Inc.
Morro Bay	'65		7,109	11	2,900	11.95	4.75	Central Calif. Comm. Corp.
Mountain View	--		51,092					
Mount Shasta*	'71		2,256			19.95	5.50	Howard E. Buffington
Napa*	--		35,976					Napa Valley Cablevision, Inc.
National City	'64	1	43,184	27				Mission Cable TV, Inc.
Needles	--		4,051					
Nevada City	'64		2,314	12	600	5.00	5.50	Golden Hills Cable TV
Newark	--		27,153					TelePrompter of Newark
Newman*	--		2,505					
Newport Beach	'67	1	49,422	20	2,094	14.95	6.50	Newport Beach Cablevision, Inc.
"								Community Cablevision Co.
Norco	--		14,511					
Norwalk*	--	1	91,827					
Novato*	--	1	31,006	11		20.00	4.50	Western Calif. Telephone

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Oakdale	'67		6,594	12		10.00	4.95	Triangle Cable Co.
Oakland*	'70	1	361,561	12		10.00		Focus Cable of Oakland
"								TelePrompter Corporation
Oceanside	'68	1	40,494	24	6,000	15.00	5.75	Oceanside Cablevision, Inc.
Ojai	--		5,591		3,873	15.00	6.00	Storer Cable TV, Inc.
Ontario*	'71	1	64,118	12		-0-	5.00	Theta Cable Co.
Orange	--	1	77,374					
Orange Cove	--	2	3,392					
Orland*	'64		2,884	12		15.00	5.50	State TV Cable, Inc.
Oroville	--		7,536	12	5,000	24.50	5.50	Oroville Communications Co.
Oxnard*	'71	1	71,225	21	3,000	-0-	4.50	Oxnard Cablevision, Inc.
Pacifica*	'64	1	36,020	10	10,000	7.50	4.75	Pacifica Cable Co.
Pacific Grove	'64		13,505	9	2,596	-0-	4.65	Ocean View Cablevision
Palmdale	--		8,511	12	2,500	17.25	5.25	WGN Electronic Systems
Palm Springs*	'52		20,936	12	16,500	35.00	7.00	Palm Springs Television Co.
Palo Alto	--	1	55,966					
Palos Verdes Estates	'65		13,641	9	994	25.00	6.00	Palos Verdes Peninsula Cable Television
Paramount	--	1	34,734					
Parlier	--	2	1,993					
Pasadena*	'66	1	113,327		700	25.00	5.90	International Cable Television, Inc.
Paso Robles	'63		7,168	11	1,888	29.95	4.95	Central Calif. Comm. Corp.
Patterson	--		3,147					
Perris	'67		4,228	12	150	15.00	4.95	Video-Communications, Inc.
Petaluma	'64	1	24,870	12	7,583	25.00	5.00	Tele-Vue Systems, Inc.
Pico Rivera	--	1	54,170					
Piedmont*	--		10,917	12/20		10/25.00	1.70	
Pinole*	'59		15,850	12	2,960	-0-	5.00	Contra Costa Cable Co.
Pismo Beach	'65		4,043	11	900	29.95	5.95	Central Calif. Comm. Corp.
Pittsburg*	--		20,651	11		25.00	5.00	Tele-Vue Systems, Inc.
Placentia	'69		21,948				4.50	Cablecom General of S. Calif.
Placerville	--		5,416	12		19.50	5.50	Valley Vision Inc.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Pleasant Hill	--	1	24,160	12		10.00	4.50	Televents of California
Pleasanton*	'63		18,328	12	6,000	-0-	6.00	Tele-Vue Systems, Inc.
Plymouth	--		501					
Point Arena	--		424					
Pomona*	'69	1	87,384	27/32	145	5.95	5.95	Nation Wide Cablevision, Inc.
Porterville	'65		12,602	12	900	-0-	4.85	Porterville Cable TV
"					1200	15.00	4.50	Sierra Vista, Inc.
Port Hueneme	'69		14,295	20		15.00	6.00	Franks Radio and TV
"						-0-	4.50	Oxnard Cablevision
Portola	--		1,625	7		25.00	5.00	Quincy Community TV Assoc., Inc.
Portola Valley	--		4,999					
Red Bluff	'65		7,676	8	2,577	19.95	5.00	Finer Living of Red Bluff, Inc.
Redding*	'64		16,659	7	4,600	19.95	5.00	Tele-Vue Systems, Inc.
Redlands*	--	1	36,355	20		-0-	4.25	Redlands School District
Redondo Beach	--	1	56,075	12	3,167	9.50	4.75	Cablecom-General of S. Calif.
Redwood City	'67	1	55,686	11		25.00	4.75	Peninsula Cable TV Corp.
Reedley	--	2	8,131					
Rialto	'69	1	28,370	13	1,859	5.95	5.95	International Cable TV
Richmond*	'68	1	79,043	26	1,700	-0-	4.70	Bay Cablevision, Inc.
Ridgecrest	--		7,629					Ridgecrest Cablevision Co.
Rio Dell*	--		2,817					
Rio Vista	--		3,135					Cable TV or Rio Vista
Ripon	--		2,679					
Riverbank*	'67		3,949	12		14.75	4.95	Toulumne Cable-Vision, Inc.
Riverside	--	1	140,089			10.00	5.00	Tele-Communications, Inc.
Rocklin	--		3,039					
Rohnert Park*	'68		6,133	12	1,279	10.00	4.70	Storer Cable TV, Inc.
Rolling Hills	--		2,050	12				Storer Cable TV, Inc.
Rolling Hills Estates*	--		6,735	12				
Rosemead*	--	1	40,972					
Roseville	--		18,221					Roseville Telephone Co.
Ross*	--		2,742	12	550	25.00	5.00	Tele-Vue Systems, Inc.

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Sacramento	--	1	254,413					California Antenna TV
Salinas	'62		58,896	10	10,779	10.00	4.55	Central Calif. Comm. Corp.
San Anselmo	'66		13,031		2,447	-0-	5.00	Clearview Cable Systems
San Bernardino	--	1	104,251	10/20	15,400	15/30.00	5/5.75	GTE Communications
"								TV Receptors, Inc.
San Bruno	--	1	36,254	21	2,750			San Bruno Municipal Cable TV
San Carlos	'68	1	25,924	20	3,068	-0-	4.75	Country TV Cable
"								Peninsula Cable TV Copr.
San Clemente	--		17,063	12				San Celmente Cable TV Co.
Sand City	--		212					
San Diego	--	1	696,769		3,700		3.10	Rancho Bernardo Antenna System
"					1,700	11.25	5.50	Mission Cable TV, Inc.
"					6,000	11.25	5.50	Southwestern Cable Co.
"					60	12.50	6.25	Penasquitos Antenna System
"					333	12.50	6.25	University City Antenna
"					207	12.50	6.25	South Bay Terraces Antenna
"					300	11.25	6.25	Tierra Santa Cable TV Assoc.
"					620	12.50	6.25	Penasquitos Antenna System
San Dimas	'68		15,692	11		5.95	5.95	International TV Cable
San Fernando	--		16,571					
San Francisco*	'64	1	715,674	10	20,000	25.00	6.25	Television Signal Corporation
"								Western TV Cable
San Gabriel*	--	1	29,176					
Sanger	--	2	10,688					United Cablevision, Inc.
San Jacinto*	--		4,385	12		10.00	5.00	Riverside Cable Co.
San Joaquin	--	2	1,506					
San Jose*	'70		445,779	24	6,000	10.00	5.95	San Jose Cable TV Service
San Juan Bautista	--		1,164					
San Juan Capistrano	'65		3,781	12		10.00	6.00	Storer Cable TV, Inc.
"								Orange Co. Cable TV
San Leandro*	'72	1	68,698	26		15.00	5.45	LVO Cable of San Leandro

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
San Luis Obispo	'63		28,036	11	6,745	-0-	4.60	Central California Comm. Corp.
San Marcos*	'71	1	3,896	12		10.00	5.00	T. M. Communications
San Marino	'71		14,177					
San Mateo*	--	1	78,991	20-27				Nationwide Cablevision of N. Calif.
San Pablo*	'70		21,461			-0-	4.50	Nationwide Cablevision
"								Cablecon-General
San Rafael	--	1	38,977					Tele-Vue Systems, Inc.
Santa Ana	--	1	156,601					
Santa Barbara	--		70,215	12	25,000	9.00	5.85	Cable TV of Santa Barbara
Santa Clara*	'71	1	87,717			9.95	5.00	Teleprompter of Santa Clara
Santa Cruz	--		32,076	12	12,000	15.00	5.40	Teleprompter of Santa Cruz
Santa Fe Springs	--		14,750					
Santa Maria*	--		32,749	8	8,000		4.75	Santa Maria Valley Cable TV, Inc.
Santa Monica	--	1	88,289	20	44,000	19.50	5.00	Theta Cable of California
Santa Paula	'65		18,001	7	2,012			Storer Cable TV, Inc.
Santa Rosa*	'64	1	50,006	12	10,450	10.00	5.00	Total Television of Santa Rosa
Saratoga	--	1	27,110	24				Teleprompter
"								California Cable Television Corp.
Sausalito	'58		6,158	12		50.00	5.00	Martin's Comm. Antenna System
"								Cable TV of Marin, Inc.
Scotts Valley*	--		3,911	12		15.00	5.40	Teleprompter Corp.
Seal Beach*	--		24,441	12	1,557	10.00	3.50	Seal Beach Cablevision
Seaside	'69		35,935	11	4,167	10.00	4.60	Ocean View Cablevision, Inc.
Sebastopol*	'67		3,993	12		10.00	5.00	Storer Cable TV, Inc.
Selma	--	2	7,459	12				
Shafter*	'67		5,327	12	688	9.95	4.75	Kern Cable Company
Sierra Madre	--		12,140	12	3,500	6.95	5.50	Teleprompter of Sierra Madre
Signal Hill*	'72		5,582	11		10.00	5.50	Long Beach Cablevision
Simi Valley	'64	1	56,464	12	4,500	10.00	5.00	Clarity TV, Inc.
Soledad	--		4,222	9		-0-	4.50	KCA Cable TV Industries
Sonoma*	'68		4,112	12	490	10.00	4.94	Storer Cable TV
Sonora	'67		3,100	11	980	19.50	5.50	Tuolumne Cable-Vision, Inc.
South El Monte	--		13,443					

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
South Gate	--	1	56,909					
South Lake Tahoe	--		12,921	8				Tahoe Cable
South Pasadena	--		22,979					
South San Francisco	'67	1	46,646	15		15.00	4.00	Western TV Cable
St. Helena	--		3,173					Storer Cable TV, Inc.
Stanton*	--		17,947					
Stockton	--	1	107,644	20				
Suisun	--		2,917					
Sunnyvale*	'69		95,408	24	3,000	-0-	5.50	Sunnyvale Cablevision
Susanville*	'65		6,608	6	1,375	125.00	4.00	Antenna Vision, Inc.
Sutter Creek	'66		1,508	10		19.50	5.50	Valley Vision, Inc.
Taft	'66		4,285	1w	2,800	-0-	4.25	Continental Transmission Corp.
Tehachapi	'64		4,211	12	1,044	10.00	5.25	Tehachapi Cable TV
Tehama	--		317					
Temple City	'72	1	29,673	24		10.00	6.00	Theta Cable
Thousand Oaks*	'65	1	36,334	13	1,200			Westlake Communications
"					600			Coneyo Communications Television
"					5,600	15.00	6.00	Storer Cable TV, Inc.
Tiburon*	'68		6,209	12				Cable TV of Marin, Inc.
Torrance	--	1	134,584					
Tracy	'67		14,724	19	2,025	15.00	4.75	General Electronic Cablevision Corp.
Trinidad	--		300					
Tulare	'70		16,235	20+		10.00	4.35	Sequoia Cablevision Co.
Tulelake	--		857					
Turlock*	'70		13,992	20				Turlock Cablevision
Tustin	--		21,178					
Ukiah*	'68		10,095	12	2,537	9.95	6.50	Spanish Mountain TV Company
Union City*	'67		14,724	23				
Upland	'67	1	32,551	12	750	5.95	5.95	International Cable TV Corp.
Vacaville	'67		21,690	12	3,500	-0-	4.50	General Electric Cablevision Corp.
Vallejo*	'69	1	69,238	54	4,251	20.00	4.75	Tele-Comm, Inc.
"								Gibson Radio and Publishing Company
"								North Bay Cable Company

CITY	Year	Market	1970 Federal Census	Channel Requirements	Number of Subscribers	Installation Fee	Monthly Fee	Franchised Company
Ventura*	--	1	55,797	12	4,751	10/15.00	5/4.95	Ventura Cable TV
"								Avenue TV Cable Service, Inc.
Vernon	--		261					
Victorville	--		10,845	8		-0-	6.95	Continental Transmission Corp.
"								Television Communications, Corp.
Villa Park*	--		2,723					
Visalia	'71		27,482	20	280		4.35	Sequoia Cablevision Company
Vista	'66	1	24,688				4.95	Vista Cablevision, Inc.
Walnut	--		5,992					
Walnut Creek*	'66	1	39,844	18		15.00	4.95	General Electric Cablevision Corp.
Wasco*	'67		8,269	12		9,95	4.75	Kern Cable Company
Waterford	--		2,243					
Watsonville	'62		14,569	8	4,000	10.00	4.65	Central California Comm. Corp.
Weed	'65		2,983	5		25.00	4.50	Yreka Television Co., Inc.
West Covina*	--	1	68,034					
Westminster	--	1	59,865					
Westmorland	--		1,175		100	15.00	7.50	Imperial Valley Cable TV
Wheatland	--		1,280					
Whittier	'66	1	72,863	10	1,600	12.50	5.25	National Trans-Video, Inc.
Williams	--		1,571					
Willits*	'59		3,091	7	1,400	12.95	5.95	Teleprompter of Willits
Willows*	--		4,085	9	1,600	12.95	5.50	State TV Cable, Inc.
Winters	--		2,419					
Woodlake*	'68		3,371					Teleprompter of Woodlake
Woodland	--	1	20,677	20		15.50	4.15	Multi-View Systems of Woodland, Inc.
Woodside	'70		4,731	12		50.00	5.95	Nation Wide Cablevision, Inc.
Yorba Linda	--		11,856					Cablecom-General of S. Calif.
Yountville	'68		2,332	12		15.00	5.00	Storer Cable TV, Inc.
Yreka*	'64		5,394		1,600			Yreka Television Co., Inc.
Yuba City*	'67		13,986	12	3,350	24.50	5.00	Bi-City Cable Co.

APPENDIX B (cont'd)

California Community Television Association*
Active Member & Parent Company Roster
Cross Reference by System Name

System	Location	Parent Company
Antenna-Vision, Inc.	Susanville	
Apple Valley TV Cable Co.	Apple Valley	
Avenue TV Cable Service	Ventura	
Bakersfield Cable TV	Bakersfield	Cox Cable Communications, Inc.
Bay Cablevision	Berkeley Richmond	Athena Communications Corp.
Bi-Cities Cable Co.	Marysville Yuba City	Viacom
Big Valley Cablevision	San Joaquin County	Continental Cablevision Inc.
Cablecom-General of Modesto	Modesto	Cablecom-General, Inc.
Cablecom-General of Northern California	Albany Benecia San Pablo	Cablecom-General, Inc.
Cablecom-General of Southern California	Brea La Habra La Mirada Placentia Ventura Yorba Linda Redondo Beach	Cablecom-General, Inc.
Cable-Meter Systems of California	Elsinore Glen Avon North Riverside	
Cable TV of Rio Vista	Rio Vista	
Cable TV of Santa Barbara	Santa Barbara	Cox Cable Communications, Inc.
Cable-Vision	Lafayette	American Television & Communications Corp.
Calabasas Communications Co.	Calabasas	
Capps TV Electronics	Camarillo	
Central California Communications Corp.	Salinas San Luis Obispo	Central California Communications Corp.
Clarity TV, Inc.	Camarillo Simi Valley	Teleprompter Corp.
Coachella Valley Television	Palm Desert	Palmer Broadcasting Co.
Community Cablevision Co.	Irvine Newport Beach	
Concord TV Cable	Concord	Western Communications, Inc.
Contra Costa Cable Co.	San Carlos	Viacom

System	Location		Parent Company
County TV Cable	San Carlos		Western Communications, Inc.
Crystal Brite Television	El Granada		
Cypress Cable TV of Kern Co.	Kern County		Cypress Communications, Inc.
Cypress Cable TV of Malibu	Malibu		Cypress Communications, Inc.
Escondido Cable TV	Escondido		TM Communications Co.
Finer Living of Red Bluff	Red Bluff		Viacom
Focus Cable of Oakland, Inc.	Oakland		Teleprompter Corp.
Foothill Cable TV	Sierra Madre		Teleprompter Corp.
Fremont Cable TV	Fremont		
General Electric Cablevision Corp.	Atwater Merced Tracy	Vacaville Walnut Creek	General Electric Cablevision Corp.
Group Cable, Co., Inc.	San Andreas		
Hanford Cable Co., Inc.	Hanford		
Hi-Desert Cable TV	Hucca Valley		Teleprompter
H. S. Anderson Co.	Trona		
Idyllwild Cable TV	Idyllwild		
Imperial Valley Cable Co.	Brawley Calexico	El Centro Holtville	Columbia Cable Systems, Inc.
International Cable TV Corp.	Glendora		Nation Wide Cablevision, Inc.
KCA Cable TV Industries	Gonzales Greenfield Soledad		
King Videocable Co.	Tujunga		King Videocable Co.
Lake Hughes TV Cable Service	Lake Hughes		
Lakeview TV Cable, Inc.	Crestline		
Lodi Cable TV	Lodi		King Videocable Co.
Lompoc Valley Cable TV	Lompoc Solvang		Teleprompter Corp.
Long Beach Cablevision	Long Beach		TM Communications Co.
LVO Cable of Hayward	Hayward		LVO Cable, Inc.
LVO Cable of San Leandro	San Leandro		LVO Cable, Inc.
Martin's Community Antenna System	Sausalito		
Milpitas Cable TV, Inc.	Milpitas		Teleprompter Corp.
Mission Cable TV, Inc.	El Cajon San Diego		Cox Cable Communications, Inc.
Mission Viejo Cablevision	Mission Viejo		FCB Cablevision, Inc.
Monterey Peninsula TV Cable	Carmel Monterey		Western Communications, Inc.
Napa Valley Cablevision	Napa		
National Trans-Video, Inc.	Burbank Diamond Bar	Glendale Whittier	National Trans-Video, Inc.
Nation Wide Cablevision, Inc.	Montebello Morgan Hill		Nation Wide Cablevision, Inc.

System	Location	Parent Company
Newport Beach Cablevision	Newport Beach	Teleprompter Corp.
Nor Cal Cablevision	Alturas McCloud	Nor Cal Cablevision
North Bay Cable TV Co., Inc.	Vallejo	
Oceanside Cablevision, Inc.	Oceanside	FCB Cablevision, Inc.
Ocean View Cablevision	Seaside	Central California Communications Corp.
Oroville Communications Co.	Oroville	Nor Cal Cablevision
Pacifica Cable Co.	Pacifica	
Pala Mesa Cablevision, Inc.	Fallbrook	
Palm Springs TV Co.	Palm Springs	Cypress Communications Corp.
Palos Verdes Cable TV	Palos Verdes Peninsula	TM Communications Co.
Pearson TV Antenna Systems, Inc.	Kernville	
Penasquitos Antenna Systems	San Diego	
Peninsula Cable TV Corp.	Belmont Redwood City San Carlos	Nation Wide Cablevision, Inc.
Peninsula TV Power, Inc.	Menlo Park	FCB Cablevision, Inc.
Riverside Cable TV	Hemet Rubidoux San Jacinto Valley	Riverside Cable Co.
San Clemente Cable TV Co.	San Clemente	TM Communications Co.
San Dieguito Cable	Solana Beach	
San Jose Cable TV Service	San Jose	
Santa Maria Valley Cable TV, Inc.	Santa Maria	Teleprompter Corp.
Seal Beach Cablevision	Seal Beach	Teleprompter Corp.
Seamore Cable Television	Fort Bragg	Teleprompter Corp.
Sea Ranch Television Co.	Sea Ranch	
Skyline Cable TV, Inc.	Lake Arrowhead	
Southern Monterey County CATV	King City	
Southeastern Cable Co.	San Diego	Time-Life Broadcast, Inc.
Spanish Mountain TV Co.	Ukiah	Teleprompter
State TV Cable	Chico	Western Communications, Inc.
State Video Cable, Inc.	El Sobrante La Honda Richmond	
Storer Cable TV, Inc.	Banning Calistoga Fairfield Fillmore Frazier Park Hermosa Beach Laguna Beach Moorpark Ojai Rohnert Park St. Helena San Juan Capistrano Santa Paula Sebastopol Sonoma Thousand Oaks	Storer Cable TV, Inc.
Sunnyvale Cablevision	Sunnyvale	FCB Cablevision, Inc.
Tehachapi Cable TV	Arvin Tehachapi	American Television & Communications Corp.

System	Location	Parent Company
Tele-Cable Service Corp.	Borrego Springs	
Tele-Communications, Inc.	Riverside San Bernardino County South Lake Taho Vallejo	Community Tele-Communications, Inc.
Teleprompter of Los Gatos	Los Gatos	Teleprompter Corp.
Teleprompter of Newark	Newark	Teleprompter Corp.
Teleprompter of Santa Clara	Santa Clara	Teleprompter Corp.
Teleprompter of Santa Cruz	Santa Cruz	Teleprompter Corp.
Teleprompter of Willits	Willits	Teleprompter Corp.
Teleprompter of Woodlake	Woodlake	Teleprompter Corp.
Televents of California	Castro Valley Martinez	Systems Management Co.
Television Communications Corp.	Victorville	Television Communications Corp.
Television Signal Corp.	San Francisco	Viacom
Tele-Vue Systems, Inc.	Antioch Corte Madera Dublin Livermore Petaluma Pittsburg Pleasanton Redding	Viacom
Tesco TV/FM Cable System	Topanga	
Theta Cable of California	Los Angeles Santa Monica	Teleprompter Corp.
Tierrasanta Cable TV	San Diego	
Total Television of Santa Rosa	Santa Rosa	Cablecom-General
Tru-Color Cable Co.	Agoura	Time-Life Broadcast, Inc.
Tru-Vue Cable TV	Altadena	
Tuolumne Cable-Vision	Sonora	
Turlock Cablevision	Turlock	
TV Receptors	San Bernardino	Teleprompter Corp.
Valley County Cable TV	Newhall Valencia	
Video Communication	Desert Hot Springs	
Vista Grande Cablevision	Daly City	
Western CATV, Inc.	Saugus	American Television & Communications Corp.
Western TV Cable	South San Francisco	Western Communications, Inc.
Westlake Communications	Westlake Village	
WGN Electronic Systems	Palmdale	WGN Electronic Systems
Yreka TV Cable	Weed Yreka	

APPENDIX B (cont'd)

Parent Company Home Office

American Television & Communications Corp.
300 Fillmore Street
Denver, Colorado 80206
(303) 399-1718

Athena Communications Corp.
437 Madison Avenue
New York, N.Y. 10022
(212) 935-7700

Cable-Com-General, Inc.
P.O. Box 7251
4705 Kingston
Denver, Colorado 80207
(303) 344-3420

Central California Communications Corp.
P.O. Box 1651
238 John Street
Salinas, California 93901
(408) 422-6422

Columbia Cable Systems, Inc.
49 Riverside Avenue
Westport, Connecticut 06880
(203) 227-9581

Community Tele-Communications
P.O. Box 10717 – University Pk. Sta.
54 Denver Technicological Center
Denver, Colorado 80210
(303) 771-8200

Continental Cablevision, Inc.
54 Lewis Wharf
Boston, Mass. 02110
(617) 742-8265

Cox Cable Communications, Inc.
1601 West Peachtree St., N.E.
Atlanta, Georgia 30309
(404) 892-3456

Cypress Communications, Corp.
10880 Wilshire Blvd.
Los Angeles, California 90024
(213) 475-8555

FCB Cablevision, Inc.
2727 West Sixth Street
Los Angeles, California 90057
(213) 381-6966

General Electric Cablevision Corp.
1400 Balltown Road
Schenectady, New York 12309
(212) 377-2261

King Videocable Co.
320 Aurora Avenue North
Seattle, Washington 98109
(206) 682-3555

LVO Cable, Inc.
P.O. Box 3423
Tulsa, Oklahoma 74101
(918) 587-1581

National Trans-Video, Inc.
P.O. Box 3423
403 South Akard
Dallas, Texas 75202
(214) 741-3464

Nation Wide Cablevision, Inc.
10801 National Blvd.
Los Angeles, California 90064
(213) 475-0637

Nor Cal Cablevision, Inc.
P.O. Box 15779
2100 Q Street
Sacramento, California 95813

Palmer Broadcasting Company
805 Brady Street
Davenport, Iowa 82801
(319) 324-1661

Riverside Cable Company
606 S. Olive Street
Los Angeles, California 90014
(213) 273-1611

Storer Cable TV, Inc.
West Coast Office:
P.O. Box 1408
888 Thousand Oaks Blvd.
(805) 497-3931
East Coast Office:
1177 Kane Concourse
Miami Beach, Ca. 33154
(305) 866-0211

Systems Management Company
280 Columbine Street
Denver, Colorado 80206
(303) 388-6431

Teleprompter Corporation
West Coast Office:
1661 San Vicente Blvd.
Los Angeles, Calif. 90049
(213) 272-9255
East Coast Office:
50 West 44th Street
New York, New York 10036
(212) 986-7500

Television Communications Corp.
610 Fifth Avenue
New York, New York
(212) 581-4940

Time-Life Broadcast, Inc.
Time & Life Building
Rockefeller Center
New York, New York 10036
(212) 586-1212

TM Communications Co.
1375 Sunflower Avenue
Costa Mesa, California 92626
(714) 557-6400

Viacom
345 Park Avenue
New York, New York 10022
(212) 371-5300

Western Communications
P.O. Box 4610
1501 North Broadway, Suite 403
Walnut Creek, California 94596
(415) 935-3055

WGN Electronic Systems Company
2501 W. Bradley Place
Chicago, Illinois 60618
(312) 528-2311

Courtesy of California Community Television Association, Membership Roster, July, 1972.
Note: Does not include all multiple service operators in California.

APPENDIX C

From:

BM/E, Broadcast Management/Engineering. Broadband Information Services, Inc., 274 Madison Avenue, New York, New York 10016.

The Cost of Urban Cable Systems•

Costs to wire major markets with advanced systems are high, although estimates vary widely depending on local circumstances. A fair representation of these costs appeared in the Rand study, **Cable Communications in the Dayton-Miami Valley: Basic Report,** in papers authored by N. E. Feldman, W. S. Baer and R. Bretz. Estimates from that report follow.

As a base for comparison, Rand estimates a conventional 12-channel system to cost $50 to $75 per home in front of the plant for a headend and distribution system. A single-drop cable from the feeder cable to the TV set costs another $25.

Fixed capital costs for an advance system are given in Table 1. A simple computer with a limited memory and few peripherals could be procured for a little under $40,000. Systems that permit cumulative responses to be displayed in real time cost more. In addition to hardware costs shown, are costs of software which can run $150,000 to $200,000. This software could be shared with common users at a cost of about $15,000 to $25,000 per system.

The cost of a dual cable distribution system is shown in Table 2. Costs for interconnecting five districts by FM microwave are shown in Table 3.

Some rates of return for the investment costs cited for the greater Dayton area—192,000 homes—are as shown in Table 4. This return is based on a subscriber fee of $6 monthly. If some of the more sparsely located homes—50,000 in the suburbs—are not included, the subscription price could drop to perhaps $3.95 per subscriber. The additional revenue from channel leasing assumes a cost of $35,000 per channel per year, and an income of $700,000, at least half of which would come from leasing a pay TV channel to a movie operator.

Table 1—Fixed Capital Costs For An Urban Cable Television System

Facilities	Cost Range	
Tower and Headend		
Land for tower	$ 30,000	$ 40,000
Site preparation	5,000	10,000
300- to 500-ft guyed tower	11,000	20,000
Microwave shack, temperature controlled	4,000	5,000
Antennas for broadcast signals	8,000	12,000
UHF/VHF converters and spares	4,000	6,000
Audio-video processors plus all racks, cables, connectors, pads	27,000	120,000
FM antennas and audio processors	3,000	10,000
Automatic nonduplication equipment	4,000	8,000
Office building	15,000	100,000
	$111,000	$331,000
Local Origination		
Equipment for origination	$ 30,000	$210,000
Mobile equipment	25,000	85,000
Time and weather equipment	3,000	6,000
Program and announcement wheel	2,000	3,000
Portable ½-inch videotape recorders for community use	12,000	60,000
	$ 72,000	$364,000
Miscellaneous		
Test equipment	$ 10,000	$ 35,000
Spare parts and equipment	3,000	10,000
Microwave importation of up to 3 distant signals	25,000	50,000
Computers and real-time display	80,000	120,000
Computer software	15,000	25,000
Emergency power	4,000	8,000
	$137,000	$248,000

Table 3—Investment Costs For Microwave Interconnection And Associated Headend Equipment

Network Configuration	Number of Outbound Television Channels		
	4	7	10
4 paths, 1 return channel	$ 888,000	$ 988,000	$1,088,000
4 paths, 2 return channels	924,000	1,024,000	1,125,000
5 paths, 1 return channel	1,076,000	1,196,000	1,315,000
5 paths, 2 return channels	1,121,000	1,241,000	1,361,000

Table 2—Estimated Investment Costs Of Above-Ground Cable Installation Per Mile

Single 12-channel cable	$4500
Increasing capacity of single cable to 20-25 channels	500
Simultaneously adding a second 12-channel cable	1500
Increasing capacity of second cable to 20-25 channels	500
Adding two-way capability to one cable	800
Subtotal	$7800
Tree trimming and pole preparation	700
TOTAL	$8500

Table 4—Internal Rates Of Return

Case	Internal Rate of Return	
	Total	Equity
1. The base case 40 percent penetration	14.0	17.0
2. One-to-one debt-equity ratio	14.0	15.4
3. Thirty percent cable penetration	3.1	—18.2
4. Fifty percent cable penetration	20.9	26.0
5. Use of converters instead of dual cable	12.3	14.3
6. Subscription fee of $4.00	6.5	1.2
7. Additional revenue from channel leasing	19.0	23.8
8. Austere local program origination	16.7	20.8

APPENDIX D

Subpart K—Technical Standards

§ 76.601 Performance tests.

(a) The operator of each cable television system shall be responsible for insuring that each such system is designed, installed, and operated in a manner that fully complies with the provisions of this subpart. Each system operator shall be prepared to show, on request by an authorized representative of the Commission, that the system does, in fact, comply with the rules.

(b) The operator of each cable television system shall maintain at its local office a current listing of the cable television channels which that system delivers to its subscribers and the station or stations whose signals are delivered on each Class I cable television channel, and shall specify for each subscriber the minimum visual signal level it maintains on each Class I cable television channel under normal operating conditions.

(c) The operator of each cable television system shall conduct complete performance tests of that system at least once each calendar year (at intervals not to exceed 14 months) and shall maintain the resulting test data on file at the system's local office for at least five (5) years. It shall be made available for inspection by the Commission on request. The performance tests shall be directed at determining the extent to which the system complies with all the technical standards set forth in § 76.605. The tests shall be made on each Class I cable television channel specified pursuant to paragraph (b) of this section, and shall include measurements made at no less than three widely separated points in the system, at least one of which is representative of terminals most distant from the system input in terms of cable distance. The measurements may be taken at convenient monitoring points in the cable network: *Provided*, That data shall be included to relate the measured performance to the system performance as would be viewed from a nearby subscriber terminal. A description of intruments and procedure and a statement of the qualifications of the person performing the tests shall be included.

(d) Successful completion of the performance tests required by paragraph (c) of this section does not relieve the system of the obligation to comply with all pertinent technical standards at all subscriber terminals. Additional tests, repeat tests, or tests involving specified subscriber terminals may be required by the Commission in order to secure compliance with the technical standards.

(e) All of the provisions of this section shall become effective March 31, 1972.

§ 76.605 Technical standards.

(a) The following requirements apply to the performance of a cable television system as measured at any subscriber terminal with a matched termination, and to each of the Class I cable television channels in the system:

(1) The frequency boundaries of cable television channels delivered to subscriber terminals shall conform to those set forth in § 73.603(a) of this chapter: *Provided, however*, That on special application including an adequate showing of public interest, other channel arrangements may be approved.

(2) The frequency of the visual carrier shall be maintained 1.25 MHz±25 kHz above the lower boundary of the cable television channel, except that, in those systems that supply subscribers with a converter in order to facilitate delivery of cable television channels, the frequency of the visual carrier at the output of each such converter shall be maintained 1.25 MHz±250 kHz above the lower frequency boundary of the cable television channel.

(3) The frequency of the aural carrier shall be 4.5 MHz±1 kHz above the frequency of the visual carrier.

(4) The visual signal level, across a terminating impedance which correctly matches the internal impedance of the cable system as viewed from the subscriber terminals, shall be not less than the following appropriate value:

Internal impedance:
75 ohms.
300 ohms.
Visual signal level:
1 millivolt.
2 millivolts.

(At other impedance values, the minimum visual signal level shall be $\sqrt{0.0133 Z}$ millivolts, where Z is the appropriate impedance value.)

(5) The visual signal level on each channel shall not vary more than 12 decibels overall, and shall be maintained within

(i) 3 decibels of the visual signal level of any visual carrier within 6 MHz nominal frequency separation, and

(ii) 12 decibels of the visual signal level on any other channel, and

(iii) A maximum level such that signal degradation due to overload in the subscriber's receiver does not occur.

(6) The rms voltage of the aural signal shall be maintained between 13 and 17 decibels below the associated visual signal level.

(7) The peak-to-peak variation in visual signal level caused undesired low frequency disturbances (hum or repetitive transients) generated within the system, or by inadequate low frequency response, shall not exceed 5 percent of the visual signal level.

(8) The channel frequency response shall be within a range of ±2 decibels for all frequencies within −1 MHz and +4 MHz of the visual carrier frequency.

(9) The ratio of visual signal level to system noise, and of visual signal level to any undesired cochannel television signal operating on proper offset assignment, shall be not less than 36 decibels. This requirement is applicable to:

(i) Each signal which is delivered by a cable television system to subscribers within the predicted Grade B contour for that signal, or

(ii) Each signal which is first picked up within its predicted Grade B contour.

(10) The ratio of visual signal level to the rms amplitude of any coherent disturbances such as intermodulation products or discrete-frequency interfering signals not operating on proper offset assignments shall not be less than 46 decibels.

(11) The terminal isolation provided each subscriber shall be not less than 18 decibels, but in any event, shall be sufficient to prevent reflections caused by open-circuited or short-circuited subscriber terminals from producing visible picture impairments at any other subscriber terminal.

(12) Radiation from a cable television system shall be limited as follows:

Frequencies	Radiation limit (microvolts/meter)	Distance (feet)
Up to and including 54 MHz	15	100
Over 54 up to and including 216 MHz	20	10
Over 216 MHz	15	100

(b) Cable television systems distributing signals by using multiple cable techniques or specialized receiving devices, and which, because of their basic design, cannot comply with one or more of the technical standards set forth in paragraph (a) of this section, may be permitted to operate provided that an adequate showing is made which establishes that the public interest is benefited. In such instances the Commission may prescribe special technical requirements to ensure that subscribers to such systems are provided with a good quality of service.

(c) Paragraph (a)(12) of this section shall become effective March 31, 1972. All other provisions of this section shall become effective in accordance with the following schedule:

	Effective date
Cable television systems in operation prior to March 31, 1972	Mar. 31, 1977
Cable television systems commencing operations on or after March 31, 1972	Mar. 31, 1972

§ 76.609 Measurements.

(a) Measurements made to demonstrate conformity with the performance requirements set forth in §§ 76.701 and 76.605 shall be made under conditions which reflect system performance during normal operations, including the effect of any microwave relay operated in the Cable Television Relay (CAR) Service intervening between pickup antenna and the cable distribution network. Amplifiers shall be operated at normal gains, either by the insertion of appropriate signals or by manual adjustment. Special signals inserted in a cable television channel for measurement purposes should be operated at levels approximating those used for normal operation. Pilot tones, auxiliary or substitute signals, and nontelevision signals

APPENDIX E

Recommended Technical and Maintenance Standards
Engineering Feasibility Study
Cable Television System
City of Palo Alto

Technical Standards for Monitoring Quality

A system carrying a variety of programing is of little value if that programing does not reach the public in a form to be viewed satisfactorily. Therefore, in addition to being very flexible, the system must also maintain high technical standards. At the present time, the Federal Communications Commission has no technical standards governing the quality of cable television signals delivered to the homeowner. A system conforming to the following set of specifications and maintenance rules will deliver consistently high-quality pictures to all points in the system. The specifications cover only outgoing television channels. Similar specifications would apply to incoming television. Most of the other services would be adequately handled if the system met the standards for television. Additional study should be done to develop technical standards for the auxiliary services.

A. **Cable Television Technical Standards for Transmission of Broadcast Signals.**
System transmission distortion, measured from head-end r-f or video input to all subscriber outputs, shall not exceed the following tolerances for any operational channel:

(1) The rms visual carrier voltage during synchronizing pulses shall be no less than 1 millivolt across each 75-ohm subscriber output.

(2) The ratio of rms visual carrier voltage during synchronizing pulses to rms random noise voltage contained in a 6MHz bandwidth shall be no less than 34 db.

(3) The ratio of rms visual carrier voltage during synchronizing pulses to rms coherent interference voltage shall be no less than (i) 40 db for co-channel television signals, (ii) 45 db for energy within the desired channel but more than 0.5 MHz from the color subcarrier frequency, (iii) 50 db for energy within 0.5 MHz of the color subcarrier, (iv) 15 db for lower adjacent-channel aural carriers, (v)-5 db for upper adjacent-channel visual carriers.

(4) The ratio of rms visual carrier voltage during synchronizing pulses to rms aural carrier voltage for the same channel shall be no greater than 15 db.

(5) With a modulated staircase or ramp test signal, the color subcarrier transmission gain (loss) at all video levels shall be within ±1.0 db of color subcarrier transmission gain (loss) at black level

(6) The color subcarrier transmission phase shift at all video levels shall be within ±4 degrees of the color subcarrier transmission phase shift at black level.

(7) Modulation depths for blanking and white levels shall be within ±5 percent of those specified in Sections 73.682(a)(12) and 73.682(a)(13) of the Rules and Regulations of the Federal Communications Commission.

(8) Hum modulation shall be within the limit specified in Section 73.682(a)(16).

(9) The amplitude vs. frequency response, reference to the response at the visual carrier frequency, shall be within ±2 db for frequencies within -1MHz and +4MHz of the visual carrier.

(10) Audio frequency response shall meet the requirements of Section 73.687(b)(2).

(11) Audio distortion shall meet the requirements of Section 73.687(b)(3).

(12) Frequency separation between adjacent visual carriers shall be no less than 5.980 MHz.

(13) The difference between visual and aural carrier frequencies of each channel shall be as specified in Section 73.687(c)(1).

(14) The differential delay between a 200 kHz sine wave and the envelope of a 3.58 MHz subcarrier amplitude modulated by the same 200 kHz sine wave shall be no greater than 0.10 microseconds.

(15) Signal reflections introduced within the system by a pulse of energy at the visual carrier frequency having a sine-squared envelope of 0.25 microsecond half-amplitude duration on any operational channel shall be no greater, relative to the exciting waveform, than: (i) -20 db for delays less than ±0.5 microseconds, (ii) -30 db for delays greater than ±0.5 microseconds but less than ±2.0 microseconds, (iii) -40 db for delays greater than ±2.0 microseconds.

(16) All specified performance criteria shall be met at any ambient temperature to which the system may be exposed.

Note 1: Some parameters are applicable only to off-air or to local originations.

Note 2: If microwave relay is used, head end shall be considered to be at the relay input.

B Maintenance and Reporting.

1. A report of measurements demonstrating compliance with the satndards of this section shall be submitted to the City Manager at one-year intervals.
2. The visual and aural carrier voltage of each operational channel shall be measured at each feeder monitor point at three-month intervals and recorded in an operating log book.
3. The visual and aural carrier voltage of each operational channel shall be measured daily at the head-end monitor point and recorded in an operating log book.
4. A report of all changes in type or quantity of head-end equipment shall be submitted to the City Manager within 30 days following such changes. The report shall contain: (i) a description of all equipment removed, added, or modified; (ii) measurements showing that the changes have not resulted in system performance of less than the specified quality.

BIBLIOGRAPHY

BIBLIOGRAPHY

(Basic references designated by asterisk)

Reports, Studies & Surveys from Governmental Agencies, Departments & Special Associations:

A Bill to Amend the Communications Act of 1934 to Provide for the Regulation of Community Antenna Television Systems, Congressional Record, Senate S 13065, August 4, 1971.

CATV Regulation and CATV Certificates, Arlington County, Virginia, February 13, 1971.

Cable Antenna Television (CATV) Background Report, California Legislature, Senate Committee on Public Utilities and Corporations, Memorandum to Members of the Public Utilities and Corporations Committee, from the staff.

Cable Regulatory Proposals Submitted to Congress by the FCC, Federal Communications Commission, NEWS, Washington, D.C., August 5, 1971.

Cable Television, in Ohio Cities and Villages, October, 1971.

Cable Television in Detroit: A Study in Urban Communications, a report prepared by the Cable Council, City of Detroit, Detroit, Michigan, May 1972.

Cable Television in Monroe County, Final Report, Committee to Study Cable Television in Monroe County. Rochester, New York: Rochester Center for Governmental and Community Research, 1971.

Cable Television in New York, prepared by John H. Galligan, for the New York Conference of Mayors and other Municipal Officials. Albany, New York, April 1971.

Cable Television Report and Order, Federal Communications Commission, Washington, D.C., 1972.

***Cable Television Service: Cable Television Relay Service**, Federal Communications Commission, Federal Register, February 12, 1972, Vol. 37, No. 30, Part II.

Community Antenna Television (CATV) in Michigan Municipalities, by Scott L. Gorland and Jon W. Stoops, Michigan Municipal League, Information Bulletin No. 119, Ann Arbor, Michigan, May 1971.

Community Antenna Television Problems, Hearing before the Subcommittee on Communications of the Committee on Commerce, U.S. Senate, 92nd Congress, first session, June 14, 1971.

Community Antenna Television (CATV) – State of the Art, Research Report, City of Phoenix, Budget and Research Department, Report No. 72-16, November 19, 1971.

***Drafting Municipal Franchises for Cable Television Systems**, Management Information Service, International City Management Association, Vol. 4, No. LSY, January 1972.

An Economic Analysis of Community Antenna Television Systems and the Television Broadcasting Industry, by Martin Siedell. Washington, D.C.: U.S. Government Printing Office, 1965.

Human Resources Administration Telecommunication, Robert E. O'Brien. Second report prepared for New York City Human Resources Administration, September 30, 1971.

If CATV Comes to Your Town, John A. Montgomery, Executive Director, Iowa Educational Broadcasting Network, September 1971.

Model CATV Ordinance, League of California Cities, December 1, 1965.

Model CATV Ordinance, Maine Municipal Association, Information Bulletin No. 28-70, Hallowell, Maine.

***Municipal Ownership and Use of Joint Powers**, Western City Magazine, League of California Cities, Los Angeles, California, May 1972.

Municipal Regulation of Community Antenna Television Systems, Management Information Service, International City Management Association, Washington, D.C., December 1964, Report No. 251.

Position Paper on the Free Public Use of CATV for Educational Purposes, CATV Educational Consortium of the Greater Pasadena Area, January 1972.

A Preliminary Report Concerning the Problems and the Potential of Community Antenna Television, CATV in Southeast Michigan, Patrick Kenny, Southeast Michigan Council of Governments.

***Reconsideration of Report and Order**, Federal Communications Commission, Federal Registrar, July 14, 1972, Vol. 37, No. 136.

Regulation of Cable Television, letter from Martin Klepper, Staff Assistant, Office of Newark Studies, Newark, N.J., to Richard Thompson, Legislative Counsel, National League of Cities, Washington, D.C. Presented as testimony by Mayor Kenneth A. Gibson, Newark, before the New Jersey Assembly, April 20, 1971.

Regulation of Cable Television by the State of New York, William K. Jones. New York State Public Service Commission, December, 1970.

A Report of New York City Options for Cable Television Franchises, Lance Leibman and Risa Dickstein. New York: Vera Institute of Justice, 1970.

Second Report and Order, Federal Communications Commission, March 8, 1966.

Statement of the National League of Cities – U.S. Conference of Mayors, Docket Number 18892, submitted to the FCC, Washington, D.C., October 7, 1970.

Supplemental Comments, National League of Cities – U.S. Conference of Mayors, before the Federal Communications Commission, Washingtonm D.C., Docket No. 18892, December 7, 1970.

A Survey of New York CATV Franchises, by John H. Galligan, June, 1971.

U.S. President's Task Force on Communications Policy: Final Report, December 7, 1968, Eugene V. Rostow, Chairman; from Superintendent of Documents, U.S. Government Printing Office.

Workshop O: CATV and Telecommunications – New Technology to Increase City Capacity, 48th Congress of Cities, Honolulu, Hawaii, November 30, 2971.

Reports, Studies & Surveys from California Cities:

CATV and the Cities: Opportunities and Pitfalls, address by Leonard H. Marks before the Annual Meeting of the League of California Cities, San Francisco, September 29, 1971.

Cable Television Feasibility Study and Market Analysis, G.S. Verger, City Manager, San Bruno, California, January, 1969.

Community Antenna Television System, Memorandum to City Council, Fremont, California from: City Manager, July 18, 1967, CMR No. 98.

Community Antenna Television System, Memorandum to City Council, Newport Beach, California, from: City Manager, January 15, 1970.

Engineering Feasibility Study: Cable Television System, City of Mountain View, Hammett & Edison, Consulting Engineers, San Francisco, California, June 1970.

Engineering Feasibility Study: Cable Television System, City of Palo Alto, California, June, 1970, Hammett & Edison, Consulting Engineers, San Francisco, California.

Fifty Year Franchise, City of Palm Springs, California, April 24, 1952.

Interim Report CATV, City of Burbank, April 27, 1972.

Preliminary Report: Cable Television and Southeast Los Angeles Cities, City of Downey, California, January 14, 1972.

Proof of Performance and Engineering Reports, City of Thousand Oaks, California, February 23, 1972.

A Report on Cable Television in Culver City, CATV Staff Study, 1971.

Report to Mayor and City Council, John W. Witt, City Attorney, San Diego, California, December 14, 1970.

Reports & Articles by Professional, Financial, Educational & Industrial Organizations:

Analysis of the Potential Growth of the CATV Industry, John K. Lady, Washington, D.C.: National Cable Television Association.

CATV at the Crossroads, Jules S. Tewlow, Research Institute Bulletin, No. 1005 (of ANPA Research Institute, New York), December 2, 1969.

CATV and Station Coverage Atlas, Washington, D.C.: Television Digest, (C-49), 1971-72.

Cable TV: Protecting its Future in Education, an Occasional Paper of the Association for Supervision and Curriculum Development, National Educational Association, Washington, D.C., November 1971.

Cable Television: A Booming Business, But Who Protects the Public Interest?, the Center for Analysis of Public Issues, Princeton, New Jersey.

***Cable Television in the Cities: Community Control, Public Access and Minority Ownership**, Charles Tate, The Urban Institute, Washington, D.C., 1971.

Cable Television in the San Francisco Bay Area: A Preliminary Survey, Ora Huth. Institute of Governmental Studies, U.C. Berkeley, May 1971.

Communications Technology for Urban Improvement, a report to the Department of Housing and Urban Development, under Contract No. H-1221, June 1971; published by the Committee on Telecommunications, National Academy of Engineering, Washington, D.C.

Community Antenna Television (CATV) and Environmental Action, Ora Huth. Presented as part of a penal discussion on Mass Media Influences on Environmental Action, AAUW. Institute of Governmental Studies, U.C. Berkeley, January 28, 1971.

Crossed Wires: Cable Television in New Jersey, a report by the Center for Analysis of Public Issues, Princeton, New Jersey, 1971.

Design Considerations: Bi-Directional CATV Systems, Michael J. Rodriguez. Hoboken: Vikoa Technical Publications, 1970.

Interactive Television Software for Cable Television Application, Kenneth D. Stenton. McLean, Virginia: Mitre Corporation, 1971.

***Interpreting the FCC Rules and Regulations**, Parts I and II, Vol. 8, Nos. 4 and 5, April and May 1972. Broadcast Management/Engineering, New York, New York.

Issues for Study in Cable Communications, an occasional paper from the Alfred P. Sloan Foundation, Arthur L. Singer, Jr., New York, September 1970.

Municipal Regulation of CATV: Model Ordinance, Report 151, National Institute of Municipal Law Offices, Washington, D.C., 1967.

Newspapers and Cable Communications: A View of the Future, a report prepared by the American Newspaper Publishers Association Research Institute for the Sloan Commission on Cable Communications, 1971.

The Real World of Technological Evolution in Broadband Communications, Hubert J. Schlafly. Prepared for the Sloan Commission on Cable Communications, Teleprompter Corporation, New York, September, 1970.

Resistance to the Wired City, Harold J. Barnett. St. Louis: Washington University, Department of Economics, 1970.

Schools and Cable Television, Washington, D.C.: National Education Association, Division of Educational Technology, 1971.

Seminar on CATV, Toward the Wired Nation: The Financial Implications of Developing Cable Communications, transcript of seminar sponsored by the National Cable Television Association, Inc., 918 16th Street N.W., Washington, D.C. 20002, June 30, 1971.

The Status of the Cable Antenna Television Industry in California and a Proposal for State Regulation, Honorable George E. Danielson & Robert J. Wheeler, Pacific Law Journal, Vol. 2, No. 2, July, 1971.

Television Factbook, Washington, D.C.: Television Digest, 1971-1972.

Utilization of Broadcast Television for Governmental In-Service Training: A Feasibility Study, Robert W. Wilcox, Public Affairs Research Institute, San Diego State College, November, 1968.

Reports of the Rand Corporation:

Access by Local Political Candidates to Cable Television: A Report of an Experiment, H.S. Dordick, J. Lyle. Santa Monica: Rand Corporation (R-881-MF), November, 1971.

Adult Education Goals for Los Angeles: A Working Paper for the Los Angeles Goals Program, H.S. Dordick. Santa Monica: Rand Corporation (P-4333), March 1970.

Cable Communications in the Dayton Miami Valley, L.L. Johnson, et al. Prepared with financial support from the Charles F. Kettering and Ford Foundations by the Rand Corporation, Santa Monica, January, 1972.

Cable Television and Higher Education: Two Contrasting Experiences, L.L. Johnson. Santa Monica: Rand Corporation (R-828-MF), September 1971.

Cable Television: Opportunities and Problems in Local Program Origination, N.E. Feldman. A report prepared for the Ford Foundation. Santa Monica: Rand Corporation, September, 1970.

Cable Television: The Problem of Local Monopoly, prepared for the Ford Foundation. Santa Monica: Rand Corporation, May 1970.

Cable Television and Satellites, N.E. Feldman. Santa Monica: Rand Corporation (P-4171), August, 1969.

Cable Television and UHF Broadcasting, R.E. Park. Santa Monica: Rand Corporation (-689-MF), January 1971.

The Case of a Pure Public Good: Television Broadcasting, J.R. Minasian. Santa Monica: Rand Corporation (P-2773-1), September, 1963.

Closed Circuit TV and the Education of the Partially Sighted, S. Genensky. Santa Monica: Rand Corporation (P-4343), March 1970.

A Closed Circuit TV System for the Visually Handicapped, S. Genensky, et al. Santa Monida: Rand Corporation (RM-5672-RC), August 1968.

A Closed Circuit TV System for the Visually Handicapped and Prospects for Future Research, S. Genensky, H.L. Moshin, H. Steingold. Stnat Monica: Rand Corporation (P-4147), July, 1969.

Communications Goals for Los Angeles: A Working Paper for the Los Angeles Goals Program, L.G. Chesler, H.S. Dordick. Santa Monica: Rand Corporation (P-3769-1), June 1968.

A Cost Analysis of Minimum Distance TV Networking for Broadcasting Medical Information, J.A. DeiRossi, R.S. Heiser, N.S. King. Santa Monica: Rand Corporation (RM-6204-NLM), February 1970.

The Future of Cable Television: Some Problems of Federal Regulation, L.L. Johnson. Prepared for the Ford Foundation. Santa Monica: Rand Corporation, January, 1970.

Future Growth of Cable Television, R.E. Park. Santa Monica: Rand Corporation (P-4527), 1970.

The Growth of Cable TV and Its Probable Impact on Over-the-Air Broadcasting, R.E. Park. Santa Monica: Rand Corporation (P-4526), December 1970.

The Impact of Communications Satellites on the Television Industry, L.L. Johnson. Santa Monica: Rand Corporation (P-3572), April 1967.

The Instant Referendum: A CATV Based Direct Democratic Legislative Structure for Local Government, L.H. Zacks, C. Harris. Santa Monica: Rand Corporation (P-4561), May 1971.

Interactive Television: Prospects for Two-Way Services on Cable, W.S. Baer. Santa Monica: Rand Corporation (R-888-MF), November 1971.

Method of Evaluation for the Metropolitan Regional Council Telecommunications System, I.J. Alesch and G.C. Summer. Prepared for the Metropolitan Regional Council under a grant to the Council from the National Science Foundation. Santa Monica: Rand Corporation, 1972.

The Peace Corps Volunteer and Achieving Education Change with New Media, G.A. Comstock. Santa Monica: Rand Corporation (P-4174), August 1969.

Planning Educational Change for the Primary Schools of Colombia: A Briefing, H.S. Dordick. Santa Monica: Rand Corporation (M-5532-AID), May 1968.

The Potential Cable Television in Dayton: Preliminary Notes, Prepared with financial support of the Ford Foundation and the Charles F. Kettering Foundation. Santa Monica: Rand Corporation, 1971.

Potential Impact of Cable Growth on Television Broadcasting, R.E. Park. Santa Monica: Rand Corporation (R-587-FF), October 1970.

Potential Uses of the Computer in Criminal Courts, P.W. Greenwood. Santa Monica: Rand Corporation (P-4581), February 1971.

The Promise of UHF Satellites for Mobile Services, J.L. Hult. Santa Monica: Rand Corporation (P-4170), August 1969.

A proposal for Wired City Television, H.J. Barnett, E.A. Greenberg. Santa Monica: Rand Corporation (P-3668), August 1967.

Prospects for Cable in the 100 Largest Television Markets, R.E. Park. Santa Monica: Rand Corporation (R-875-MF), October 1971.

The Public Interest in Public Television, S.S. Alexander. Santa Monica: Rand Corporation (P-3676), September 1967.

Radio Relay System Performance in an Interference Environment, E.E. Reinhart. Santa Monica: Rand Corporation (RM-5786-NASA), October 1968.

The Selection of Appropriate Communication Media for Instruction: A Guide for Designers of Air Force Technical Training Programs, R. Bretz. Santa Monica: Rand Corporation (R-601-PR), February 1971.

The Social Effects of Communication Technology, H. Goldhamer, R. Westrum (Eds.) Santa Monica: Rand Corporation (R-486-RSF), May 1970.

Some Comments on a Closed Circuit TV System for the Visually Handicapped, S. Genensky. Santa Monica: Rand Corporation (P-3984), December 1968.

State Regulation of Cable Television, M.R. Mitchell. Santa Monica: Rand Corporation (R-783-MF), October 1971.

Telecommunications in Urban Development, H.S. Dordick, et al. Santa Monica: Rand Corporation (RM-6069-RC), July 1969.

Televised Ombudsman, K.A. Archibald, B. Bagdikian. Santa Monica: Rand Corporation (P-3841), May 1968.

Television Station Performance Revenues, R.E. Park. Santa Monica: Rand Corporation (P-4577), February 1971.

Television and Ghetto Education: The Chicago Schools Approach, R. Bretz. Santa Monica: Rand Corporation (P-4108), June 1969.

Transionispheric Propagation of FM Signals, E. Bedrosian. Santa Monica: Rand Corporation (RM-5379-1-NASA), August 1967.

Periodical Articles:

The Appropriate Scope of Regulation in the Cable Television Industry, R.A. Posner. Bell Journal of Economics and Management Science, Spring 1972.

Asleep at the Switch of the Wired City, F.W. Friendly. Saturday Review, October 10, 1970.

The Cable Fable, Yale Review of Law and Social Action, Vol. 2, No. 3, Spring 1972.

Cable: Shape of Things to Come?, J. Knoenberger, Look Magazine, September 7, 1971.

Cable TV: the Endangered Revolution, S.P. Sucherman. Columbia Journalism Review, May/June 1971.

Cable Television, W.T. Knox, Scientific American, October, 1971.

***Cable Television and the City**, Public Management: International City Management Association, July 1972, Vol. 54, No. 7.

Cable Television: Whose Revolution?, City, March/April 1971.

CATV: Promise and Peril, N. Johnson. Saturday Review, November 11, 1967.

Channels for Dissent, J.N. Oppenheim. Civil Liberties, December 1971.

Cities Around the World, Public Management, November 1970.

Cities and Cable Television, H.A. Lerner and T.H. Moriarty. Nation's Cities, August 1969.

The Easy Chair, What You Can Do to Improve TV, N. Johnson. Harper's Magazine, 1969.

FCC Rules Prompt CATV Growth and Search for Long-term Federal Policy, B.E. Thorp. National Journal, July 15, 1972.

A Lot of New Services in Store for TV Viewers, U.S. News & World Report, January 3, 1972.

***A Marriage Proposal: Cable Television and Local Public Power**, L. Schwartz and R.A. Woods. Public Power, November/December 1971 and January&February 1972.

Minerva: A Participatory Technology System, Eugene Lenord, et al. Bulletin of the Atomic Scientists, Vol. 27, November 1971.

A 'Paperback' View of Television: Interview with Clay T. Whitehead, DUN's, February 1972.

State Public Television – A New Tool for the States, J.P. Witherspoon. Journal of State Affiars, Vol. 44, Autumn 1971.

TV-Radio, Robert L. Shayon, Saturday Review, December 11, 1971.

Washington Pressures/Cable TV Group Wins First Round; Faces White House, Congressional Review, Bruce E. Thorp. National Journal, August 14, 1971.

***The Wired Nation**, Ralph L. Smith. Nation, May 18, 1970.

CATV Periodicals:

Broadcasting: The Newsweekly of Broadcasting and Allied Arts. Broadcasting Publications, Inc., 1735 DeSales Street, N.W. Washington, D.C. 20036.

BM/E, Broadcast Management/Engineering. Broadband Information Services, Inc., 274 Madison Avenue, New York, New York 10016.

***CATV: Newsweekly of Cable Television**. Communications Publishing Corporation, 1900 West Yale, Englewood, Colorado 80110.

CATV Systems, Directory & Map Service. Communications Publishing Corporation, 1900 West Yale, Englewood, Colorado 80110.

Cable News. Cable Communications Corporation, 5700 N. Portland Ave., Oklahoma City, Oklahoma 73112.

Cableteck. National Cable Television Institute, P.O. Box 1475, Englewood, Colorado 80110.

Educational & Industrial Television. C.S. Tepfer Publishing Company, Inc., 607 Main Street, Ridgefield, Connecticut 06877.

***TV Communications: The Professional Journal of Cable Television**. Communications Publishing Corporation, 1900 West Yale, Englewood, Colorado 80110.

Reports, Addresses & Articles from Individuals:

Baida, Robert, City Attorney, Fresno, Statement to the Assembly Committee on Public Utilities and Corporations, on behalf of the League of California Cities and City of Fresno, December 19, 1967.

Burch, Dean, Chairman, Federal Communications Commission, with Dissenting Statement of Commissioner Robert Wells, Statement, August 3, 1972. (FCC No. 71-787,63303).

Burch, Dean, Chairman, Federal Communications Commission, Statement: "Cable Television: Growth and Future Evolution," before the Communications Subcommittee of the Senate Commerce Committee, June 15, 1971.

Carpenter, Richard, Executive Director and General Counsel, League of California Cities, Sacramento, letter to Honorable Dean Burch, Chairman, Federal Communications Commission, Washington, D.C., September 16, 1970.

Cordon, Allen, address before the National League of Cities, Municipal Government and Administration Committee, Honolulu, Hawaii, November 29, 1971.

Dittrick, Douglas H., Vice President, Operations, American Television and Communications Corporation, address to the California Community Television Association, Western Cable Television Show and Annual Convention, November 5, 1971.

Foell, J. David, City Manager, Oakwood, Ohio, "Statement on Cable Communications Potential for Dayton, Ohio," 1971.

Macy, John W., Jr., President, Corporation for Public Broadcasting, address entitled "The Public's Dividend," to the 47th Annual Congress of Cities, Atlanta Georgia, December 10, 1970.

Witt, John W., City Attorney, San Diego; address entitled "CATV – San Diego," to the League of California City Attorneys Department, San Diego, May 3, 1970.

Witt, John W., City Attorney, San Deigo. Address to City Managers Section, League of California Cities, Newport Beach, February 27, 1970.

Witt, John W., City Attorney, San Diego. Address to the Municipal Governmemt and Administration Committee of the National League of Cities, Honolulu, Hawaji, November 29, 1971.

Younger, J. Evelle, Attorney General, and Henry G. Ullerich, Deputy Attorney General, State of California, Opinion No. 71/91, August 5, 1971.

Book Publications:

*Cable Television: A Guide for Citizen Action, Monroe Price & John Wicklein. Philadelphia: Pilgrim Press, 1972.

The Image Empire: A History of Broadcasting in the United States, Erik Barnouw. New York: Oxford University Press, 1970.

*On the Cable, The Television of Abundance, report of the Sloan Commission on Cable Communications, McGraw-Hill Book Company, 1971.

A Taxonomy of Communication Media, R. Bretz. Santa Monica: Rand Corporation, 1970.

Urban Cable Systems, Washington, D.C.: The Mitre Corporation, May 1972.

Wiring the World, The Explosion in Communications, Books by U.S. News & World Report, Joseph Newman, Directing Editor. U.S. News & World Report, Inc., Washington, D.C., 1971.